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Pruning Trip

PARIS, MONDAY, AUGUST 17, 1987

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Labor Turmoil in South Korea Signals a 'Time of Reckoning'

By Fred Hiatt

years they have come from the countryside to industrial cities like this. They are young men and women desperate for work and willing to live in barracks-like dormitories or tumbledown takchan, the "chicken coops" where factory laborers sleep huddled next to one

Working longer hours than la-borers anywhere else in the world, they have powered a remarkable economic success story, bringing unexpected prosperity to a nation that was destitute three decades

But while the wealth is more

workers barely scrape by. Last and management - that basically or crippled in industrial accidents, according to union officials.

workers' grievances are justified," a

Western diplomat said last week.

"They reflect genuine, pent-up feelings, and it's a time of reckoning."
But as it tries to steer a course

away from sweatshops and repres-

sion of unions, South Korea is

without pilots, many experts say.

Many workers view existing unions

suspiciously as pro-government, and the lame-duck government can

hardly act as honest broker after

years of siding with management.
It seems that labor disputes

stem from a pent-up sense of pov-city and frustration. Labor Minis-

ter Lee Hun Kee said. "Under the

government's growth-first policy, there is no denying that not enough attention has been paid to the ques-

tion of equitable distribution of in-

come and improvement of working

Since the government of President Chun Doo Hwan stunned the

nation six weeks ago by accepting opposition demands for free elec-

ions and other reforms, there have

been more job actions than in all of

1986, involving tens of thousands

of workers. The nation's five major

automakers, including the Hyundai plants that build Excels for export

to the United States, have been

shut down, either by strikes or

parts shortages caused by strikes at

supplier firms. Shipbuilders, miners, bus drivers

and even pop singers have held protests, and small companies have been hit as hard as the large ones. In Inchon, a port city west of Seoul, disputes recently closed more than 20 small and medium-sized companies in an and medium-sized companies.

nies, including machine shops and

makers of elevator parts, furniture

"It's like a brush fire," an orga-

nizer said. "It will rise up in one

place and perhaps die down, but

before it dies down another rises

up. If it starts in a large company, it spreads to the subsidiary; and if it is settled there, it has already

Although the police have re-

mines and factories, the disputes

have been largely peaceful, the de-

See STRIKES, Page 2

and musical instruments.

Spontaneous, leaderless and ap-parently beyond any institution's

Victorious Lange Vows To Continue Reforms

AUCKLAND, New Zealand -Prime Minister David Lange, following an election victory, said Sunday that his government remains committed to economic reforms and will not return to a military relationship with the United

"What's going to happen in the next three years is that we will use a dynamic economy to make New Zealand a fitter place to live in," he said. "It's a matter of capitalizing on what has already been sacri-

Mr. Lange's Labor Party was reelected Saturday with a 15-seat margin, the same overall majority it held in the last parliament.

Mr. Lange, who dismantled a wide array of economic regulations there would be no dramatic

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"can expect that predictable sort of government that we've had in the bast three years."

to a military relationship with the United States, which suspended New Zealand from the ANZUS de-fense alliance because of Labors ban on visits by nuclear ships.

"We have a businesslike, practiwe're not going to be in a nuclear relationship with the United

ort for trogram Times reported earlier from Wellington, New Zealand:

the 97 parliamentary constituencies. Labor took 56 seats and the National Party 41. In the previous 95-seat Parliament, Labor held 55 seats, National 38, and the Democrats 2. In the popular vote, Labor won 47 percent, National had 45 percent, and the Democratic Party

The election Saturday was seen

Kiosk Pope Promotes

Role for Women CASTEL GANDOLFO, Italy (AP) — Pope John Paul II said Sunday that the synod of bishops scheduled for October to examine the role of lay people should concentrate on ways to give women a greater role in

the church. The pope said the role of women had "notably grown" in evangelism, catechism, liturgy and theology. "Thus, now seems the propitious moment to examine more deeply the ways of women," he said.

GENERAL NEWS

South Africa's largest mining company called for talks with strikers to end violence. Page 2. The Pentagon has started building a computer complex to simulate space-based battle and defense systems. Page 3. ■ U.S. aid to the contras should continue until democratization is under way in Nicaragua,

President Reagan said. Page 3. Hong Kong's 16,000 residents of Indian background say they

are "running a serious risk of statelessness." Page 5. ■ In the Philippines, 18 persons died in clashes with guerrillas, and a fuel price rise caused pro-

BUSINESS/FINANCE

Manpower Inc. rejected a \$1.2 billion takeover bid by Blue Arrow PLC. Page 7. Growth in Soviet industrial output slowed sharply in the first part of 1987.

evenly distributed than in many just about everyone's part — the developing nations, millions of government, the political parties INCHON, South Korea - For year, more than 23,000 were killed

> Now, as the authoritarian gov-ernment that has kept wages low loosens its control, workers are demanding a greater piece of the "economic miracle" in an explosion of rank-and-file strikes, sit-ins and other job actions.

control, the labor stirrings have injected uncertainty into South Korea's fragile progress toward de-

mocracy.

I think there's a recognition on

ficed" in economic change.

in his first term, said Sunday that changes in economic policy.
"In fact, that policy is now firmly embraced," he said. New Zealand

He said there would be no return

cal relationship with the United States," he said, "and we're not going to have a military relationship with the United States and

Charlotte Evans of The New York Miners Get

as a referendum on the economic

With final results in from 96 of Pay Increase In S. Korea

SEOUL - A labor dispute in South Korean coal fields eased Sunday with a promise of higher pay for miners, but strikes and stoppages continued in other industrial sectors.

Some 700 striking miners and their families dismantled barricades on a railway bridge near Sabuk after officials of Tongwon Coal Mining Co. agreed to increase

The miners had confronted 1,500 policemen for three days in the most serious of a series of protests and violence to hit the mines of the Taebaek mountain region, a traditional center of labor militancy.

Labor disputes have disrupted South Korea since July 1, when the government agreed to opposition demands for political reforms, ending three weeks of violent street

Meanwhile, the police said they were questioning 103 people, mostly students, arrested Saturday night after thousands of protesters held anti-government and anti-American demonstrations in central

Riot squads used tear gas to prevent protesters from marching through the streets after a rally to mark Korea's independence day.



policies of the Lange government. The prime minister appeared on spread to another subsidiary." television to congratulate the country on its "remarkable judgment" and to assert that "this is a country which grew up economically."

which grew up economically.

Shortly before, the leader of the mands moderate and the strikes National Party. Jim Bolger, had settled within a few days. Choi telephoned the prime minister to Jang Jip, a professor at Korea Unicongratulate him. Finance Minister Roger Douglas guishes the movement from past described the result as "a victory periods of labor unrest for New Zealand" and for its "The scope of worker

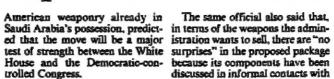
sense of realism that we have to tion is enormously wide, explosive, See LANGE, Page 2

\$1 Billion Weapons Sale to Saudis By John M. Goshko ashington Post Service

WASHINGTON - The Reagan administration, arguing that the Iran-Iraq war has created an urgent need to strengthen Saudi Arabia's ability to defend Gulf oil supplies, is planning a \$1 billion arms sale to the Saudis that will include a new attempt to deliver 1,600 Maverick

The sale of those missiles was sponded with tear gas at a few withdrawn last June in the face of massive congressional opposition. Sources familiar with the plan said Sunday that the administration is expected to notify Congress of the proposal shortly after the summer recess ends Sept. 9.

Congressional sources, noting that the proposed package also in-cludes up to 14 of the latest F-15 "The scope of worker participafighter jet and enhancements to upgrade earlier F-15s and other



Sources Say Reagan Will Propose

The sources warned that the administration can expect pro-Israeli members and others disenchanted with Saudi Arabia to fight the administration plan with the same ferocity that forced the White House into retreat on the sale of the Mavericks and that almost derailed another Saudi missile sale last year. In May 1986, President Ronald Reagan vetoed legislation blocking the sale of Sidewinder air-to-air, Harpoon air-to-sea and Stinger ound-to-air missiles to the Sau-

Administration officials, while confirming details of the plan, denied that they were trying to gain surprise" by moving immediately after the recess. One senior official said the timing was dictated by the risk of widened warfare has in-

because its components have been discussed in informal contacts with key members of Congress, leaders of U.S. Jewish organizations and the Israeli government. He noted in regard to the Mavericks that when Mr. Reagan withdrew the sale pro-

nents contended that recent events. The resolution

posal on June 11, he said the action was "only temporary." Until now, however, the president has not indicated when he would launch a new effort to push through the sale.

The senior official said the administration believes that Iran's increased bellicosity, which has led to the controversial escorting of Kuwill strengthen Mr. Reagan's argu-Iran and also might alleviate the need to increase U.S. forces in the

However, congressional oppo-

See ARMS, Page 2

Baker Says U.S. **Could Step Up Actions in Gulf**

WASHINGTON - Howard H. Baker Jr., the White House chief of staff, said Sunday that the U.S. mine-clearing effort in the Gulf should not be a signal to Iran that the United States will take only protective

In an interview on CBS television, Mr. Baker also blamed Iran for planting mines in the Gulf and said that Iran should not assume that U.S. forces in the region will limit themselves to funding and disabling mines.
"The Iranians should not be deceived." Mr. Baker said. "They should know that although the United States has acted in a restrained way, that the United States will not fail to

protect its own vital interests." He stopped short of discussing possible retaliatory moves, saying, "I sort of hope the Iranians wonder

about that. Frank C. Carlucci, President Ronald Reagan's national security adviser, said on NBC television that the United States and its allies could cope with the Iranian mine-

laying.
"We certainly have the capability in the Persian Gulf to deal with the mine threat," he said.

He added, however, that the threat posed by mines could not be eliminated entirely. He said the U.S. Navy is "putting resources in the Gulf and we expect to be able

Survivors from the supply boat Anita, which was sunk by a mine, being carried ashore at Fujaira, in the United Arab Emirates. Six sailors died in the incident, and five survived. o protect our ships. We are hopeful that we can reduce tensions in the Gulf, to the point where escorting will no long-er be necessary," Mr. Carlucci said. He said the administration hoped for a follow-up United Nations cease-fire resolution "which would out some teeth into the first resolution by imposing sanctions on whichever party did not adhere."

Mr. Reagan warned Iran on Sat-urday that the United States would not "permit extremists to set the agenda or coerce their neighbors in the Gulf.

"We have to show that efforts of intimidation, like Iranian threats against Kuwait and other nonbelligerent states in the Gulf, do not work," Mr. Reagan said in his weekly radio address. "We're a tolerant people, but we do not bow to intimidation, and we've consistently throughout our history been willing to defend ourselves. Our tolerance should not be mistaken for a Administration officials told The

Washington Post that the statement was intended as a warning to waiti tankers under U.S. registry. Iran that the United States intends to maintain its commitment to free ments to Congress that Saudi Ara- navigation in the Gulf and is prebia can be an effective deterrent to pared to respond to terrorism or other acts of intimidation. Asked whether the War Powers

Act was likely to be invoked, Mr. Carlucci said it was a legal matter. administration believes that the in the Gulf have not reduced the dent to consult with Congress be-

See BAKER, Page 2

Iran Invites Visit From **UN Leader**

Compiled by Our Staff From Durpatche FUJAIRA, United Arab Emirates — The Iranian foreign minister, Ali Akbar Velayati, said Sunday that his country would welcome a visit by the secretarygeneral of the United Nations, Javier Pérez de Cuéllar, to discuss

security in the Gulf. But Iran also warned Sunday that it "could produce mines like seeds" and cut off oil exports from Gulf Arab states, including pipeline exports, if its own shipping was disrupted.

Iran said it had begun mineweeping in the Gulf of Oman just 10 nautical miles north of Fujaira just outside the Gulf.

The announcement by Mr. Vecriticized the world body for failing to condemn Iraq as the aggressor in a cease-fire resolution adopted July 20 by the Security Council. Mr. Velayati was speaking in

Muscat just before returning to Iran after a two-day visit to Oman. There were these other developnents in the Gulf: • The United Arab Emirates ex-

loded two mines menacing ships but pronounced the main anchorage outside the Gulf at the port of Fujaira still unsafe.

The United Arab Emirates has not directly blamed Iran for laying the mines that damaged a super-tanker, the Texaco Caribbean, last Monday, and also sank a locally owned supply boat, the Anita, on Saturday in the same area, killing six persons. But U.S. officials and Gulf shipping sources believe Tehran was responsible.

• The American warship Guadalcanal reached the Gulf carrying to help protect the U.S. Navy es-

See GULF, Page 2

'Restructuring' the Russian Heartland Lebanon

By Celestine Bohlen

Washington Post Service STAVROPOL U.S.S.R. - Vasili Ryndin is certain that in a few years the Soviet Union will grow all the grain it needs and break its 15year habit of buying abroad. He bases his prediction on changes he sees happening on his collective farm, 52,000 acres of flat, semiarid land in the northern Caucasus.

"We will stop importing grain in two or three years," said Mr. Ryndin, the chairman of the collective farm. "I am sure of it because here on this farm, people are working now."

Sitting in his office on a warm summer day, Mr. Ryndin speaks as a man who has been liberated. As he tells it, revisions from Moscow, adopted during the last two years under the leadership of Mikhail S. Gorbachev, have "untied our

Those revisions have come to be inces is crucial. known in Russian as perestroika, or restructuring. But "it is not a restructuring," said Mr. Ryndin, 64, to calls for restructuring, a word who has run the farm for 20 years. whose meaning has evolved as Mr. Rather, he said, it is "an upheaval." Gorbachev unfolds his program of Perestroika is the slogan of the social and economic change. protest after company officials agreed to pay increases.

Gorbachev era, and here in the re-

nence, people take a special pride of social and economic revisions, in following its precepts.

approval for restructuring is most apparent. But for Mr. Gorbachev, 'Day and night I

earn more money, because now the government has

responsible. - Vasili Ryndin, collective farm chairman than in actual conditions.

made me

how perestroika plays in the prov-For more than two years now.

think about how to

therefore, their own wages. But for many if not most people in the Soviet Union life still has not improved much, and if it has at all, it seems more in the realm of ideas

interference from above.

The problem for many ordinary people has been to understand what perestroika means for them

what they should do and what they will get in return. "How am I supposed to 'restructure' myself?" asked an employee at a cattle feedlot in Stavropol. "I

See SOVIET, Page 2

First in a series of articles on the gion where Mr. Gorbachev was reorganization, the term has now come to encompass a whole range.

Hesitates on **Subsidy Cuts** from greater "democratization" In Moscow, the official stamp of and "openness," to "self-financing" for local enterprises that must now meet costs and pay their own New York Times Service way with a minimum of help or BEIRUT - The Lebanese gov-

ernment, fearing labor unrest, is In this agricultural heartland, resisting suggestions that it end commodity subsidies as a means of Mr. Ryndin already sees heightened interest among the brigades. replenishing its foreign exchange or small groups of farm workers, who work under contract to grow After 12 years of civil war, Lebacrops on land allotted to them. non is facing its worst economic They are reducing the size of their crisis. "We're on the brink of disascrews and cutting back on costs, ter," Economy Minister Victor driven by the incentive to increase Qassir said last week. "profits" for the collective and.

Mr. Oassir said that the country had enough diesel oil to operate the country's bakeries and state-owned electricity network for only two more months. Without additional state allocations, the Lebanese may be left without bread and power, he

He said that the governor of the central bank, Edmund Naim, had advised against the allocation of new foreign exchange funds for importing fuel. Lebanon's foreign exchange re-

serves have dropped to \$200 mil-See BEIRUT, Page 9



Wolfram Siebeck outside his castle on the Rhine.

West German Food Critic Wages War — Heartburn Rampant

Striking miners and their families blocking a rail line on

Sunday near Sabuk, South Korea. The strikers ended their

By Ferdinand Protzman

International Herald Tribune MAHLBERG, West Germany — From a 15th-century fortress looking over the broad Rhine Valley into Alsace, Wolfram Siebeck, the high priest of modern German cuisine, is waging a crusade to change his country's eating habits. As a start, he would like to see them learn to enjoy it.

Cultivating culinary culture is a daunting task in a land where the sayings 'we don't live to eat, we eat to live," and "eat, drink and be satisfied," are still in use. Greasy schnitzel abounds Lunch is often a sausage, bread and beer and the smell of frozen french fries bubbling in

stale fat permeates many a gasthaus. But Mr. Siebeck, 58, is battling the grease-slingers and vegetable haters with unquenchable gusto through books, television appearances and columns in the weekly newspaper Die Zeit, as well as in in Stern and Feinschmecker magazines. Fine food and drink are his raison d'être, and he

is not shy about exhorting others to follow his lead. In his opinion, the primary obstacle to good eating in Germany is not a lack of well-trained chefs or quality ingredients. It is the attitude among his fellow citizens daring to be an epicure in public.

"Germans." Mr. Siebeck says, "have a strong animosity ians don't."

toward enjoyment. They are wanting in lust for life. They just don't enjoy themselves when they eat. "An anti-culinary attitude with deep historical roots rules here. We have great angst. The angst about possible harm

from the good life is greater than the pleasure we get from

"A German will admire someone who pays an enormous amount of money for a Mercedes 500. But if the same guy goes in a restaurant and spends a couple of hundred marks on an excellent meal, they think, 'the pig must be cheating on his taxes.' They act like it's a sin to savor fine food or drink

an expensive bottle of superb wine." That mentality is rooted in the wars that swept Germany before and after it became a modern nation-state, Mr. Siebeck says, and the food shortages and famine that resulted. But in the prosperity of modern West Germany, he believes it is time to abandon the "one-pot Sunday meal mentality" popularized by the Nazis and learn how to eat

"To alter how people eat, how they think about food and

toward food. They generally cast a cold eye on anyone drink, is to advance the process of civilization," Mr. Siebeck said. "Civilized peoples have three-star restaurants. Barbar-

Neither did West Germany until January 1971, when Eckhard Witzigmann, an Austrian chef trained in nouvelle cuisine, opened his restaurant, Tantris, in Munich, Mr. Siebeck calls the event "the zero hour of modern German "That was our first genuine, modern gourmet restaurant,"

he said. "We have come a long way since then, Frankly, West

Germany has as many gournnet restaurants as it needs now. What we have to change is the middle level, the gasthauses, which are just as bad now as they were 30 years ago."

"Everything is frozen or comes out of a can except the mashed potatoes," he said.

The potatoes, he added, are in a 50-kilogram (110-pound) sack of powder that you mix with water and shake." German cuisine has changed considerably since the "zero hour," food critics agree. A second three-star restaurant, Aubergine, exists in Munich and one- and two-star restau-

rants are sprinkled across the country. The quality and See CRITIC, Page 2

JOHANNESBURG - Officials

largest mining company in South the issue of violence.

Mr. Ramaphosa said he was east of Pretoria.

LANGE: No Major Changes Seen

of the Anglo American Corp., the

Africa, and the National Union of

Mineworkers agreed Sunday to hold talks on eliminating violence

during a strike by an estimated

Cyril Ramaphosa, the union's

general secretary, said the union's

strike committee voted to continue

the strike "until we have met all our

demands," including a 30-percent

pay increase. But he said the com-

mittee had accepted an offer by

Anglo American to discuss the vio-

put up with a certain amount of

pain in order to get this economy

After the Labor government came to power in 1984, the New

Zealand dollar was devalued by 20

percent all controls on interest

rates and on foreign exchange were

removed, and a fundamental over-

hauling of the tax system was be-

gun that included a 10 percent sales

tax on goods and services. Agricul-

tural subsidies were to be phased

Iran Invitation

The result, generally, is that big

(Continued from Page 1)

cort of U.S.-flagged Kuwaiti tank-

Saudi Arabia said four persons

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The Guadalcanal, an amphibi-

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out over 3 to 10 years.

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WORLD BRIEFS

Chad Army Repulses Libyan Attack NDJAMENA, Chad (Reuters) — Chaquan troops repulsed a land and air attack by Libyan troops on the northern village of Azzot last week, and a Chadian military communique said 170 Libyan soldiers were killed. The report, broadcast Saturday on Ndjamena radio, said another 54. Libyans were captured during two Libyan attempts to regain the town: A number of weapons were seized or destroyed in the attack Friday, the

communiqué added. Accour is the administrative capital of the AccourStrip, and the square-mile (110,000-square-kilometer) stretch of desert claimed both by Libya and Chad. Chadian forces retook the strip Aug. 8, ending a 14-year.

Iran and Afghanistan Protest Attacks

TEHRAN (Reuters) — Iran said Sinday that Alghan forces had shelled an Iranian outpost and a customs building on their border, knilling in

versu transans. The Iranian news agency IRNA said two buildings in the town of several Iranians. Taibad in Khorasan Province in northeast Iran were damaged it said Iranian diplomats in Kabul had protested to the Afghan government

about the attack, demanding compensation.

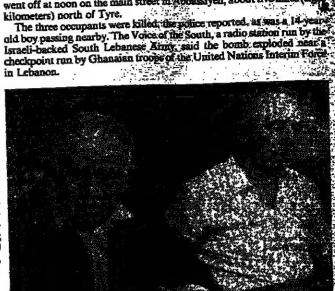
Meanwhile, Afghanistan accused franian forces on Saturday of attacks across its border in which it said four Afghan soldiers were califolds. wounded Kabul radio said a protest was lodged with the Iranian distri-d'affaires in the Afghan capital against what it described as more machine-gun and rocket attacks on three Afghan posts.

Car Bomb in South Lebanon Kills

TYRE, Lebanon (AP) — A car bomb exploded Sunday near the southern port city of Tyre, killing three persons in the car and a pissic by

They said the car, carrying 15 pounds (33 kilograms) of explosives, went off at noon on the main street in Abbassiyeh, about five miles (eight)

Israeli-backed South Lebanese Army, said the bomb exploded near a checkpoint run by Ghanaian troops of the United Nations Interim Force.



Vitzbak Shamir, left, with Shimon Peres at meeting Smiday.

Israel Again Delays Decision on Lavi

JERUSALEM (Reuters) - Israel delayed on Sunday for the asymmetric time a decision on whether to continue development of the Lavi fighter is amid pressure from Washington and Israeli military leaders to drop the costly project, a cabinet minister said.

After six hours of cabinet discussion, Prime Minister Yitzhak Shame and Foreign Minister Shimon Peres, leaders of the governing coalition, agreed to postpone a decision, said Immigration Minister Yascow Tangered to postpone a decision, said Immigration Minister Yascow Tangered to postpone a decision, said Immigration Minister Yascow Tangered to postpone a decision, said Immigration Minister Yascow Tangered to the Said questions remained about the fighter jet, which has cost Tangered about \$1.5 billion, most of it U.S. military aid, and about possible alternatives.

Political analysts said before the cabinet meeting that Mr. Shemir, who backs the Lavi, could delay a vote if he was unsine whether a market would support the project.

Coalition Is Set for Hamburg State HAMBURG (Reuters) — The Social Democratic Party and the Free

Democratic Party have agreed to form a coalition government in the state of Hamburg, the first such coalition in West Germany in five years.

The agreement late Saturday ended three months of attempts by the Social Democrats to form a government following the Hamburg parties mentary elections on May 17.

The two parties, opponents in the federal parliament in Bonn, n through the formality of gaining approval from their national lessore taking office in Hamburg on Sept. 2.

TRAVEL UPDATE

An American Airlines jetimer with 173 people on board was forced to return to the Frankfurt airport shortly after takeoff Sunday and make as emergency landing after one of its engines caught fire, an airline official said. No one was injured in the incident, the official said.

An Air India jumbo jet carrying 344 people aborted its takent from Rome's Leonardo da Vinci Airport after sea gulls were sucked into the engines, sirport and airline officials said Sunday. No one was injured in the Sastadoria and an airline officials said Sunday. No one was injured in

This Week's Holidays

Banking hours and government services will be closed or curtained in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Argentina, Belgium, Colombia, Gabon, Indonesia, Din WEDNESDAY: Afrhanistan. THURSDAY: Hongary. Source: Morgan Guaranty Trust Co, Resters

STRIKES: Widespread Labor Turmoil in South Korea Signals 'Time of Reckoning'

Anglo American, which produced 39 percent of South African gold last waste has been the most Robert E. Lamb, chief of the

fore sending U.S. forces into hostil-

ities or imminent hostilities.

company said that "force or the threat of force should not be used that are in the Gulf, it's relatively small compared to our total navy. union members to prevent workers from striking peacefully or working increase, danger pay, longer vaca-tions and other improvements in

"well aware" of the potential threat of Iranian attacks on U.S. State Department's bureau of dipembassies or other installations and is working to counter it.

of Soviet farms operating at a loss, the reforms could mean trouble

and, in the long run, possibly even

Basic food prices, heavily subsi-

foreclosure.

their work forces.

In Moscow, the Communist Party newspaper Pravda warned the United States in an editorial Sunday that an explosion in the Gulf could lead to the conflict spreading beyond the frontiers of that "A single American shell or mis-

> explosion," the newspaper warned in its analysis of the "tense political nd military situation in the Gulf."

The newspaper added that Mos-cow "favors the immediate withdrawal of all ships not from countries of the region," including Soviet vessels. (AP, WP, AFP) Lysenko, the mayor of Magnitogorsk. "People are still feeling their

ARMS:

(Costimued from Page 1)

irustration and annoyance with Saudi Arabia that has been evident in Congress and that stirred such fierce opposition to the earlier mis-sile sales. The hostility to the Sanoreclosure.

dis was rooted in perceptions that it
lin Moscow, economists talk seeks to maintain high prices for oil about 16 million workers being dislocated over the next 15 years as been a negative force in efforts to industry and agriculture trum back pursue Middle East peace and has not been as helpful as it could have been to U.S. military and diplomatic efforts in the Gulf. dized, are likely to go up, albeit

The critics said this resentment slowly and after lengthy public dishas not been alleviated by private Mr. Gorbachev has said repeat- administration assurances that the edly that the next two to three years Saudis are cooperating in such arwill be most difficult for the coun- eas as radar surveillance but have try as it makes the transition from a kept efforts quiet because of docentralized economy to one apmestic political problems and the proximating market socialism. Disneed to avoid an open confrontaocations have already occurred: tion with Iran.

Wages have been held up at fac-In June, Congress briefly was tories where products have been swept by a wave of intense antiturned back because of poor quali-ty, and growth rates in industry Saudi feeling following unconfirmed reports that a Saudi pilot began to slow in the first half of this had refused to attack an Iraqi plane that seriously damaged the U.S. in agricultural areas like Stavro-Stark, killing 37 sailors. pol, farmers still complain about

Agroprom, the new amaigamated The most controversial part of agricultural ministry that was the new peckage is likely to be the formed in 1985 from six separate proposal to sell 12 to 14 of the agencies, putting about 3,000 bullets F-15s. Opponents are expectreaucrats out of work. Old habits of ed to charge that is tantamount to interference are dying hard, the providing the Saudis with an entire farmers say, particularly on critical new squadron of planes valued at

questions of ordering and obtain-However, administration offi-We are still hoping," said Mikhail Shikhunov, the chairman of the Chapaev collective farm in that would keep the Saudi fleet of Stavropol. "It is still too early to F-15s at 60 planes by replacing

cials said that the planes are intended to be "attrition aircraft" that would keep the Saudi fleet of aircraft that crash or wear out. The officials insisted that the adminis tration believes it has an understanding, reached at the time of earlier F-15 sales, to provide such a cushion of replacement planes.

made headway in non-Russian areas, elsewhere regulators and entre-preneurs alike are still getting over

(Continued from Page 1) eruptive, much more than in past

demenstrations," he said, "But this time, in terms of mode of protest and demands, it's moderate, it's purbed.

So far, the cost to the South Korean economy also has been rela-tively modest. The government estimated last week that \$55 million ic experts were jost during a 15-day streich in late July and early Au-2051, hardiy a dent in the more than 25 billion in exports during the first seven months of the year.

exports as Korea, which has prospered against all expert predictions despite its lack of natural resources, is sensitive to any threat of constant topic everywhere. The disruption. Newspaper editorial-first step has been to break up ves-ists, officials and businessmen have uges of "wage leveling," a practice spared no rhetoric in warning of that allowed poor workers to re- the consequences of continued un-

elect the directors of enterprises masking for too much," adding that "in a sense the free-market, democratic system is in danger." If the unrest degenerates into "chaos and social disorder," he warned, Mr. Chun would have to step in.

The aids recalled the strikes of the labor unrost as one reason, Mr. country. Now they are everywhere. Chun, a general at the time, seized power in a coup.

This time, the aide said, Mr. willingness not to accept mediocri-Chun plans to step down peaceful- ty when they cat."

ly, but continued unrest could jeop-ardize what would be the republic's tion these demonstrations will perhaps even wider. first change of power through elec- take."

"I would like to emphasize that President Chun hopes those tough measures will not have to be taken." the aide said, "and he does not want the military to be involved in the political affairs of the country." Some observers said the government and news media have exag-

gerated the unrest. "For some people in the ruling camp, this labor unrest suits their needs," the Western diplomat said. The hard-liners can say, 'This is what happens when you liberalize.

The Korean people aren't ready. and employers are alarmed. It is scholars, and the gap between more.

So far, the strikes have centered

on three issues: wages, working conditions and a demand for democratic unions to supplant the gov-ernment-controlled associations of the past set wage guidelines and discouraged any firm from paying to grant some increases.

and in other industrial towns, the the past. The government, which in more, has encouraged companies

In Inchon, where the "chicken coops" and working-class houses seem to tumble upon each other on the hillsides leading to the harbor,

disparities are most evident in textile and electronic plants where many girls work.

Medium-sized companies often maintain relationships with junior high schools in rural areas, and they recruit busloads of 16- and 17-

South Korea's economic success year-old students with the promise has increased the gross national of a senior high school education.

all but two days a year," said Aryo Neier, vice chairman of the lamb rights group, Asia Watch. "And if they try to organize, they have their heads handed to them. The girls cannot leave their dor-

"A lot of them end up working

mitories without permission, and their foremen, night school each crs and dorm supervisors make up a 24-hour control team, Mr. 128

Except in electronics firms where the products require clean and cool air, the factories are offer The hard-liners can say, "This is made that happens when you liberalize, he Korean people aren't ready."

Still, Mr. Choi said, "It is really but class disparities have increased in recent years, according to several to about \$2,500.

The girls earn an average of \$160 and dangerous. There is no minimum wage law, and class is no minimum wage law true that government authorities in recent years, according to several hours a day, six days a week, or to eight hours work per day, are rarely enforced.

CRITIC: West German Food Critic Wages War — Heartburn Rampont

Continued from Page 1)

availability of meats, fruits and vegetables now compares favorably with other European countries.

"My colleagues in the press and I have caused considerable changes in the past 20 years," Mr. Siebeck 1989), curing the time known as the said. "For example, you can get "Secul Spring" when many Kere- lamb in every butcher shop now. ans thought democracy was at And you couldn't even get shallots hand after the assassination of back then at the Munich fruit and President Park Chung Hee. Citing vegetable market, the biggest in the

Mr. Siebeck's ideas about quality have frequently caused trouble. In ily has made its sauerkrant with ry and culture. the early 1970s his diatribes in Die goose fat for generations," he said. Zeit and Stern against German white wines prompted the German Winegrowers Association to pull-

tions for several years. Mr. Siebeck wrote that it was

Older Germans seem to take parcuisine by using new techniques.

They write in and say our fam- as well as politics, art, music, histo-"I go on TV and tell them, then you the times, who views cassine from a

"I write for the eccentric minority," he said, "the 6 to 8 percent of the population who have some

in-cheek title, "Cooking School for

the Pretentious.

"I'm a journalist who is a critic of

critical perspective," he said. Tim very polemical, I continually agr tate and protest. That's why inasty people hate me." Siebeck haters got a treat four years ago when he myind four well-known che's to join him for

dinner on a television special. The meal was, by his own admission.

In subsequent books, Mr. Sie- loo long and it was very dry, he beck expressed his often-outra-recalled. The viewers loved it. geous opinions on food and drink, ing the table turned."

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were responsible for an increase in crime and that the government, particularly Justice Minister Geoffrey Palmer, was soft on criminals.

to respect that.

South African Strikers Agree to Talk

gratified that Anglo American "has

sought to smash the strike with the

"We've observed a lot of barbar-

Union officials said one miner

ing a clash at the Matla coal mine

business and the cities are booming

At a campaign appearance last week in Geraldine, on South Is-

land, an angry farmer tried to pre-sent the prime minister with a dead

Another refused to shake Mr.

Lange's hand, saying: "You are

just as big an idiot as you are on

clear policies attracted substantial

campaign attention.

Mr. Bolger had said that, if elected, he would work to once again

make New Zealand a full partner in

the ANZUS alliance, informing al-

lies of New Zealand's aversion to

nuclear weapons and trusting them

Law and order was also a cam-

paign issue. Mr. Bolger contended

that Labor's economic policies

New Zealand's military and nu-

lamb as a protest.

television

while rural areas are distressed.

mines with a view to ending the

strikers had been arrested.

back to work," he said.

come to its senses" and has become imperative," Mr. Rama-

"stopped being arrogant" about phosa said. He refused to give de-

union's claim that mine owners will defend themselves."

ic acts that are escalating on the black strikers were injured.

However, he reiterated the tee had resolved that "our members

help of police. He said about 200 that security officers had found ex-

strike and forcing miners to go guards at Vaal Reefs, a gold mine

underwent emergency surgery Sun- hostel Saturday to investigate re-

day after being shot Saturday dur- ports that strikers were holding

"The defense of strikers has now

tails, but he said the strike commit-

Anglo American said Sunday

plosives in a gold mine hostel they

scarched after a clash in which 24

According to the company.

100 miles (160 kilometers) south-

west of Johannesburg, entered the

It said the security men "came

under repeated attack by a mob

and were forced to retaliate" with

tear gas and rubber bullets.
"No hostages were found, but a

quantity of explosives and a petrol

bomb were discovered," the com-

gold last year, has been the most

ing companies by the strike.

normaliy.

seriously affected of the major min-

In its message to the union, the

by management, the union or

The union is asking for a wage

(Continued from Page 1)

have always worked hard at my

This mixture of hope and skepti-

cism in the provinces was apparent

from conversations and interviews

during a two-week trip across the

As Stavropol inhabitants point

out the people in the northern Caucasus differ from the popula-

tion of central Russia. Historically

a frontier area where serfdom never

took root, the region attracted

bolder types: Cossacks, runaway

peasants, followers of religious

sects, young army officers looking

In local minds, history explains a

greater willingness to take the ini-

tiative here, an impatience with set

modes of behavior, a more open.

less suspicious nature than among

for adventure in the frontier wars.

Russian Republic.

 In Saudi Arabia, normal exports resumed from a major Saudi Mr. Bolger charged that the govgas plant damaged by explosions and a fire Saturday, oil sources in ernment was responsible for the 986 murder in Christchurch of Louisa Damodran, 6, because of a They said ships had returned to change in the law that resulted in berth at the offshore terminal of Arabian-American Oil Co.'s gas the early release from prison of the man who later killed her. liquefaction plant at the eastern Saudi port of Ras al-Juaimah.

"He was the minister who changed the law to allow criminals out early." Mr. Bolger said of Mr. were injured when two explosions Palmer. "You New Zealanders have something to worry about, be-cause you don't know how many Western diplomats reached by phone in the Saudi capital said they criminals with great track records remained dubious of the Saudi acof sexual abuse, violent abuse, have count that the explosion was not the result of Iranian-inspired sabo-

been let out under Mr. Palmer's gentle system." ous assault ship that was said to have slipped past Iranian Silkworm Gulf on Saturday, is anchored 30

Mr. Palmer accused Mr. Bolger

of "selective use of facts designed to create an impression that is contrary to the truth." The law referred to was introduced in Parliament in the last National Party government and Mr. Bolger voted for it. Mr. miles (50 kilometers) northeast of (Rewers, AP) Palmer said.

central Russians. This background may explain Mr. Gorbachev's own political style. He grew up in the northwestern part of the territory, in the village of Privolnoye, where his

Like Mr. Gorbachev, who also made his career in agriculture. Mr. Ryndin has witnessed the ups and Soviet farm po roller coaster that has lurched through crash programs, miracle crops, disasters, monumental irri-

gation schemes, growing subsidies and tight control from the center. "We were only nominally the masters of the land." Mr. Ryndin said. "You have to imagine the mistakes, the stagnation that we had." "It was," he added, "so over-

planned that local leaders could not act or think for themselves. "To some extent, I myself was frustrated. I couldn't see what lay ahead. Now day and night I think about how to earn more money. because now the government has

made me responsible. He cited examples of the results reaped on his kolkhoz or collective: 500 tons more milk than last year: savings of 500,000 rubles (\$775,000) in the first five months this year through economizing measures: a profit of L1 million rubles in 1986 against an annual average of 1.2 million during the

previous five-year plan. Working harder is one view of restructuring. Another is the expectation of better quality in goods and services, which are still at a woeful level across the country. In the minds of economists in Moscow, the two are irrevocably linked. out on the local level the stick is

still more apparent than the carrot. Many people still find it uncom-fortable to take the initiative. In the Ukraine, the press reported cases this spring of farmers awaiting orders from above as the critical planting season slipped away. And two years after perestroika

began, large areas are still nedev-

iled by basic shortages. In Magri-

togorsk, for instance, meat and

butter are rationed - 1 kilogram (2.2 pounds) of meat, 400 grams (14 ouncest of butter a month per per-: As Mr. Gorbachev himself noted impatiently, people all over the country are complaining that despite all the talk, even the simplest

problems are not getting solved. Getting people mouvated to a ceive the same pay as diligent ones. rest. Next year, a law goes into effect and a bigger voice in the distribu-



Send detailed resume

PACIFIC WESTERN UNIVERSITY 500 N. Sepulveda Blvd., Los Angeles Collifornio 90647, Dept. 23, U.S.A.

lomatic security, said Saturday in Washington that Iranian officials, some accredited diplomats, had "In terms of the number of ships been casing U.S. embassies to de-"I believe the United States government is well aware of the dantermine which are especially vulgers involved and has taken appronerable to attack. he said. "If, in some point in time. priate steps to provide against them," he said in response to quesappears to the lawyers that we should notify Congress under the tions about reports that Iran may War Powers Act, the president will be preparing for a round of embas-Mr. Baker said the United States sy attacks. SOVIET: 'Restructuring' Comes to Russian Heartland sile could be enough to trigger an a built-in timidity to try something The appeal to self-interest — a concept only recently acknowl- that was once frowned on as antithetical to socialism.

We never had to deal with this edged in Soviet ideology - is matched by a push for greater disquestion until now," said Mikhail

> mission empowered to reject prod-"Nobody wants to get rid of the rights they have," said Yuri Levin, the chief economist at the Magnitoucts that fail to meet state stan-Publicly, everyone supports restructuring, but people wonder gorsk steel mill. "Not everyone is when this latest in a long history of ready. We have people here who Soviet reform efforts will bear fruit are used to banging their fists and Saudi Sale saying, 'Do as I say!' "
> "Self-financing" also spells bad
> news for huge sections of the Soviet "When you think about it, we

have been living on economic experiments for 70 solid years," said a economy, propped up by govern-ment subsidies. For the 14 percent oung woman in Tynda, a city in the Soviet Far East. However, Mr. Ryndin's enthusiasm was echoed elsewhere. For a newspaper editor in Magnitogorsk, it is relief at being able to question publicly the lack of amenities in the city's new sections. For a taxi driv-

cipline, a crackdown on drinking

and strict new controls on quality,

carried out by a new national com-

er in the Caucasus, it is a chance to tell his boss out loud what he thinks. For builders in the Soviet Far East, it is the chance to buy spare materials or lease idle machinery at a construction site next door instead of waiting for their orders to

be negotiated between ministries in meters) away. With their new independence and new responsibilities, managers are focusing on ways to increase revenues. For this, they say they need to learn how to count money. something they had forgotten how to do in the days when all that mattered was meeting production

goals laid out in a five-year plan sent to them from Moscow. Under the terms of the "selffinancing system going into place across the country, profit is vital. For workers, it can mean higher salaries: for managers, it means they can expect to stay in their jobs: for the state, it means the production of goods keyed to con-

the Soviet Union under the guise of revisions. So far, its impact is marginal; it is restricted to a few cafes

and services, such as apartment re-

sumer demands. Private profit is also appearing in cooperatives, expanded this year as part of Mr. Gorbachev's economic

pairs and private taxis.

Aithough cooperatives have

evaluate. We can't say all the prob-

lems have been solved. But once the Central Committee decides something has to be done, it will be."

NEXT: Glasnost comes to a steel-

ing supplies.

But a nation as dependent on

An aide to President Chun, for giving workers' councils the night to example, warned that workers were

"soda pop loaded with sugar," he said. "And it was. Now over 30 percent of the white wines are dry." ticular affront at some of Mr. Sie-"However, we still have to awak-en a sease for quality in people, a on improving traditional German

made it badly for generations." all advertising from those publica-

> grasp of culmary culture." His first culinary work, published in 1976, carried the tongue-

"I left the leg of lamb in the over

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Striking miners express their support for the African National Congress, the South African guerrilla organization, after a clash with security guards at the Mada coal mine. n Protest Attad

Pentagon Building Computer Complex To Simulate SDI

By William J. Broad New York Times Service COLORADO SPRINGS — Al-

ter a year of delay and dispute, the Pentagon has started building a biljects in the politically sensitive job of judging whether President Ronald Reagan's anti-missile plan is technically feasible.

Guarded by soldiers with M-16 office and a double meaning the plan is the plan is technically feasible.

rifles and a double row of barbedtional Test Facility, is assembling 2,300 computer and military experts to run what will be one of the world's largest collections of supercomputers, devices so fast they can perform billions of operations a

The aim is to create a powerful electronic brain that will simulate a wide range of futuristic battles between nuclear missiles and defenses against them, studying whether mock wars end in triumph or defeat for the United States.

space-based defense programs agree that the National Test Facility could reach far beyond the piecelations are to draw on that vast research, conducted through the Strategic Defense Initiative Organization, and tie tests and findings into a unified picture,

testing system will provide accurate Center at Falcon, a windowless sixresults and whether the Pentagon can introduce subtle biases into the process to produce what would amount to razzle-dazzle public re-

But creators of the federal facility insist they are making every effort to assure realism and honest reporting stressing that several by 1989," said Colonel Bill Baugh, steps have been taken to help elimi-

"The SDI Organization recog-nizes that credibility is an important issue," said Colonel Richard R. Paul of the air force, former director of the National Test Facillion-dollar computerized complex ity. He was recently promoted to to supersede all other federal protagon projects.

"The whole purpose," he said, "is to find out, 'Yes, it looks feasible, or, 'Here's an area we tried to simulate and it looks like a very wire fences, the complex, the National Text Fence with the National Text Fence in the National Te simulation is that there are always

> At the Falcon Air Force Station, 12 miles (19 kilometers) east of Colorado Springs, on gently rolling grassland at the foot of the Rocky Mountains, the project of searching out those surprises is slowly taking

All about are signs of great activ-to come, including lots of people. At the main gate, armed sol-diers watch over a maze of 20 soon-Both friends and foes of such to-be-computerized security portals that resemble public telephone booths. These portals will ty could reach far beyond the piece-meal results of the administration's a magnetic identification card, research, which to date has cost about \$10 billion. Indeed, the simucompare the results with computer files as an identity check. If the test is passed, the portal door will swing open to allow entry to the topsecret station.

At issue, however, is whether the the Consolidated Space Operations story building from which the Air Force Space Command runs its network of military satellites.

The floor space is slowly being · filled with computers and computerized work stations.

They'll have maxed this space a retired officer who is director of

Vincent Persichetti, 72, U.S. Composer, Is Dead

New York Times Service

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chetti, 72, an American composer, puntal, rhythmically charged and educator, theorist, pianist and conductor, died of lung cancer Friday at his home in Philadelphia.

Mr. Persichetti wrote nine symphonies, chamber compositions for many combinations of instruments, more than a dozen sonatas for piano and harpsichord, songs and choral works, two operas — including "The Sibyl," based on the story of Chicken Little — and an enormous quantity of music for

Mr. Persichetti's aesthetic was essentially conservative, a distinc-



Private Ralph W. Myers being taken into custody a second time in California.

Pilot Who Flew V Near Reagan Is **AWOL Soldier**

WASHINGTON - The pilot of the small plane that flew within a few hundred feet of the helicopter carrying President Ronald Reagan to his California ranch on Thursday has been identified as a U.S. Army private who has been absent without leave from Fort Lewis,

Washington, since Ang. 3.

Private Ralph W. Myers, 32, was being held Saturday for military authorities in a jail in Orange, Cali-

Private Myers told federal invesugators he unknowingly strayed into the restricted airspace surrounding the president's ranch after losing a contact lens in the cockpit of the single-engine Piper

After one lens had fallen out, Private Myers said the other eye grew irritated, so he removed that lens and let his passenger fly the plane, federal investigators said.

After questioning Private Myers for nearly eight hours, Secret Scrvice agents released him Friday without learning that he had been absent without leave from his army post. He was back in custody Priday evening.

A spokesman at Fort Lewis said Private Myers is a medic with the 3d Battalion, 47th Infantry, 9th Infantry Division.

He was reported absent without leave Aug. 3, according to George Polich, the fort's public affairs offi-

tive blend of classical, romantic NEW YORK - Vincent Persi-, and modernist elements, contraexpertly scored. Although he mod-estly insisted that there were only

two main strains in his work - one

graceful and the other gritty - his

musical imagination was in fact

Following the lineage of Mozart, Mendelssohn and Ravel, Persichetu's music suggests the inno-cence and childlike joy of pure musical creativity," Walter Sim-mons wrote in the New Grove Dictionary of American Music. "Hence many works for beginners stand, with neither condescension nor apology, alongside more diffi-cult compositions."

Mr. Persichetti's works for chorus and for be — the latter an area many 20th-century composers have neglected - provided an engaging sophisticated introduction to contemporary music for young

Mr. Persichetti was associated with the Juilliard School in New York for almost 40 years. He joined the staff in 1947, and in 1963 he became the chairman of the composition department.

Although he had been composing regularly since his early teens, he did not come to public attention until the mid-1940s, when the Philadelphia Orchestra, under the direction of Eugene Ormandy, began to play his music — the "Fables" for narrator and orchestra in 1945, and later the Symphony No. 3, first performed in November 1947.

Thereafter his compositions entered the repertory of several American ensembles. The Sympho-ny No. 5 (1953) was commissioned by the Louisville Orchestra; the Symphony No. 7 ("Littirgic," 1958) by the St. Louis Symphony; and his final work in this genre, ("Janicu-hum," 1970) by the Philadelphia

Peter Schidlof, 65, Violist

With Amadeus Quartet LONDON (Reuters) - Peter Schidlof, 65, violist with the Amadeus Quartet, has died in Cumbria in northwest England, the British Broadcasting Corp. reported Sun-

day.

Mr. Schidlof, like the quartet's
two violinists, was an Austrian Jew who fled from the Nazis in 1938. The quartet, formed in 1948, is believed to have been the oldest ensemble surviving with its original

Norma B. Watson, 90, one of the first women to serve in the U.S. Marine Corps, Aug. 8 in Coatesville, Pennsylvania, after a stroke. She and other women who enlisted in 1918 to free men for combat duty, known unofficially as "marinettes," were assigned to clerical

Monsignor Giovanni Cattani De Menasce, author of the Sunday Mass homilies broadcast by Vatican Radio and Italy's state-run RAI station, has died at the age of 83. Vatican Radio said Sunday.

Edgar Rosenberg, 62, husband of the comedienne Joan Rivers, Friday in his botel room in Philadelphia, apparently a suicide by drug overdose. A publicist for Ms. Rivers said Mr. Rosenberg, executive producer of the short-lived "The Late Show Starring Joan Rivers," had been depressed recently.



WET DAY IN THE WINDY CITY - Youngster playing in floodwaters that stopped traffic at an underpass in Chicago, where a record 9.5-inch rainfall forced scores of people to flee their homes and prompted a power cut for

thousands of residences. Dozens of flights were delayed at O'Hare International Airport. A truck driver died in an expressway crash during the deluge, which occurred in a series of electrical storms late Thursday and early Friday.

Reagan to Defer Contra Arms Request Till Sept. 30

Compiled by Our Staff From Dispatches WASHINGTON - Two high administration officials said Sunday that President Ronald Reagan will not seek new military funding for the Nicaraguan rebels before Sept. 30. But one of the officials lion in military aid appropriated by said nonmilitary aid might be

sought before that date.
The funding expires on Sept.

Philip Habib

Habib Resigns Central America

WASHINGTON - Philip C.

bas resigned.

State Department and congressional sources said he acted after Hernández, who is not a memthe administration rejected his call ber of the opposition group, had for immediate, high-level U.S. involvement in peace talks between

Nicaragua and its neighbors. According to the sources, Mr. Habib, picking up on a suggestion made by Secretary of State George P. Shultz last week, had recommended that he go immediately to Central America and commit the ticipation in the peace initiative agreed to Aug. 7 by Nicaragua, Honduras, El Salvador, Costa Rica

and Guatemala. The sources said that the White House overruled his advice and ordered him to remain in Washing-

Mr. Habib left his State Department office before the announcement of his resignation on Friday and could not be reached for com-

Murder on Rise in Calabria

The Associated Press CITTANOVA, Italy - Police man Sunday, bringing to 100 the number of murders this year in the southern region of Calabria, comsouthern region of Calabria, comweek by Nicaragus and four other Central American countries. found the body of a 22-year-old pared with 70 by this time last year. The authorities attribute at least half the deaths to a feud between

organized crime families.

30, and we will not go up with a request before the funding ex-pires," the president's national se-curity adviser, Frank C. Carlucci, said after an appearance on an NBC television program. He was referring to the current \$100 mil-

Congress.

The White House chief of staff, Howard H. Baker Jr., appearing on a CBS program, made the same point, but he suggested that Mr. Reagan might sak for humanitarian aid for the rebels, known as contras, before Sept. 30.

Mr. Baker said that unless Nicaragua agrees to negotiate a cease-fire and accepts Mr. Reagan's demand that democratic reforms get under way, "I feel it is virtually

Rights Chief In Nicaragua Is Arrested

By William Branigin Weshington Post Service

MANAGUA - The police have arrested the head of Nicaragua's nongovernmental human rights commission and a number of opposition demonstrators after preventing them from holding a protest march without a permit.

nández, the head of the Permanent Commission on Human Rights, was seized Saturday after 200 antigovernment demonstrators gathered in a street outside the new Habib, President Ronald Reagan's headquarters of the Democratic special envoy for Central America, Coordinating Council, an opposi-

been invited to the opening cere-mony and was watching the demonstration when he was arrested.

According to Carlos Huembes, the president of the coordinating council, police officers struck Mr. Hernández while they were arresting him. Mr. Huembes said that Alberto

United States to some form of par- Saborillo, a leader of the Nicaraguan Conservative Party, and an undetermined number of others had also been detained.

An administrator of the human rights commission, Luz Marina, said that Mr. Hernández and Mr. Saborillo were being held on charges of "disturbing public or-

The human rights commission has documented alleged abuses by the government, while a governmental commission and other groups focus on alleged violations by the Nicaraguan rebels, or con-

Witnesses said Samrday's disturbance started when demonstrators tried to test the political

Police officers with dogs surrounded the area and told the protesters that they needed a permit.



certain that the president will ask cess of democratization is under for additional military aid on or way."

The Central American peace

issue, and we're going to stay that to guerrilla groups.

stressed its support for the contras chairman of the House Intelligence and said it would seek additional Committee, said the administraaid for the rebeis next month, should the peace talks agreed to by effort time enough to work. five Central American nations

On Friday, the White House said quest before the end of September. not a formal request, would cer-tainly start next month. In his weekly radio address on

Saturday, Mr. Reagan said, "Our time an opening for diplomacy and support for the freedom fighters for negotiations," he said. "And I should continue until a satisfactory think we want to test that just as peace plan is in place, a cease-fire carefully as we can and to exploit it has occurred and a verifiable pro- if possible." (UPI, NYT)

The administration has been giv-plan, advanced by President Oscar ing conflicting accounts of its pol-Arias Sánchez of Costa Rica and icy in Central America. One White also signed by the leaders of Guate-House official said last week that mala, El Salvador, Honduras and "we've been on all sides of this Nicaragua, calls for a halt in all aid

Representative Lee H. Hamil-On Thursday, the White House ton, an Indiana Democrat who is tion was not giving the diplomatic

Mr. Hamilton told NBC that he believed the administration "is sincere in wanting to test the possibilithere would be no formal aid re- ty of negotiations" but that it was not clear the White House was real-But White House aides made clear by supporting the peace plan adopt-that discussions about aid, though ed by the Central American presi-

We do have at this particular moment for the first time in a long

effects." spokesman, Charles E. Redman, said Thursday that the Soviet test

the atmosphere beyond Soviet bor-He said it did not pose a health hazard but violated the 1963 Limited Test Ban Treaty prohibiting nuclear tests in the atmosphere, onter space or under water. He said Washington had expressed its con-

Typhoon Death Toll In Philippines Put at 48

MANILA - The death toll from phone interview. a typhoon that struck southeastern Luzon Island last week rose to 48 on Sunday, and meteorologists warned that another typhoon was threatening to hit the northern part of the main Philippine island.

(UPI, NYT) gayan Province.

Moscow Reports Leak **During Nuclear Test But Denies Any Fallout**

Compiled by Our Staff From Dispatches has acknowledged that gas leaked Feb. 28, when Mikhail S. Gorbaduring an underground nuclear test chev, the Soviet leader, canceled a Aug. 2, but the announcement said unilateral ban on such tests begun there was no danger of radioactive on Aug. 6, 1985.

The announcement Saturday followed a report from officials in Norway of a small increase in the United States refused, saying it level of radioactive iodine in the air needed to catch up with advances over Norway, Sweden and Den- in Soviet technology.

Norwegian officials said the increase may have resulted from a Soviet nuclear test but was in such small quantities that it presented no health hazard. The official news agency Tass

said the leak occurred during a nuclear test for military research on Novaya Zemlya island.

requests" and "claims circulated by the Western mass media, with the Americans being especially zealous in the effort"

The announcement added, "Competent organizations of the U.S.S.R. conducted an extra and complete check that showed that after the explosion, there took place the leak of an insignificant amount of gaseous products that did not lead to the formation of radioactive fallout.

"This excludes the possibility of radioactive failout in any state as a result of this nuclear underground test. The population was not subjected to any danger of radiation

A U.S. State Department had released radioactive debris into

cern about the matter to Moscow.

The Associated Press

The weather service said a typhoon with winds of up to 75 mph (120 kph), was moving toward Ca-

MOSCOW — The Soviet Union 15 underground nuclear tests since

At the time, Mr. Gorbachev repeated appeals to the Reagan administration to join in the ban. The

The Tass report Saturday called again for "a general and complete prohibition of nuclear weapon tests," adding, "It depends first of all on the United States whether nuclear blasts will continue or

The Soviet Union promised fuller and quicker reporting on nu-It said an inquiry into the leak clear incidents last year after the was begun because of "incoming explosion April 26 at the Chernobyl nuclear power plant. It took Soviet officials several days to acknowledge that the accident occur-

Ending Snub, Soviet Plans Chagall Show

New York Times Service MOSCOW - The first major exhibition in the Soviet Union of the paintings of Marc Chagall will Open at Moscow's Pushkin Museum next month, according to one of the show's organizers.

The event will mark a posthu-

mous official homecoming for an artist long slighted by his native

The exhibition coincides with the 100th anniversary of Chagall's birth in Vitebsk, It represents an important milestone in Mikhail S. Gorbachev's campaign to make the Soviet Union more receptive to nonconformist ideas and art.

Plans for the exhibition have not been announced in Moscow yet, but Andrei Voznesensky, who was instrumental in arranging the show, provided details in a tele-

Although some of Chagali's paintings have been shown in the Soviet Union, his contribution to 30th century art — like those of Wassily Kandinsky, Kazimir Malevich and other members of the avant-garde before the 1917 Bolshevik Revolution — has not been officialy recognized in the Soviet

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Risks Without a Policy

American sailors and ships in growing numbers are at risk in the Gulf. To what purpose? At American request, Iraq holds off attacking Iranian shipping, so more oil leaves and more supplies arrive at Iranian docks. The fleet is the perfect foil for the radical demagogues in Tehran. Enjoying these benefits, the mullahs mine the path of American convoys and menace their Arab neighbors. These results are surely not what President Reagan intends. Yet his policy is so confused about interest, ends and means, that the administration takes on ever greater risks without much support or prospect of success. Mr. Rengan did not sort this out before departing on three weeks' vacation.

America's interests require preventing an unfriendly power from controlling Gulf oil. Oil represents money, arms and power that can be used to undermine everything from Western economies to Israeli security. The main threat to that interest is now Iran, far more than the Soviet Union.

The immediate purpose of the United States is to secure an end to the Iran-Iraq war with no victor. Stopping that war might reduce the volatility of the region, but would not remove the deeper problem - a regime in Iran bent on repression at home and subversion and terrorism abroad.

It was a mistake for the Reagan administration to put American flags on Kuwaiti tankers. Oil was flowing through the Gulf, and Kuwait could have been persuaded to deal with the problem without turning to Moscow. But now that the fleet is there, what next? A conciliatory American policy toward Iran would serve both sides' practical interests. Yet conciliation, already tried by France and by Mr. Reagan in trading arms for bostages, seems only to invite further Iranian aggression.

Passive containment of Iran, in essence the present policy, has some promise, as evidenced by the fact that Tehran has not yet rejected the United Nations' call for a

present policy incites Iran to attack American assets indirectly, as with mines, in the hope of inducing Congress to force a withdrawal. It also leaves the initiative with Tehran, forcing Washington into a reactive stance. To face down Iran requires that Mr. Reagan take more active measures:

· Invoke the War Powers Act, and then present a coherent policy to earn congressional backing. The act will give Congress 60 days in which to support the president or, in the absence of a plausible policy, halt the naval buildup.

• Press hard on West European allies

and the Gulf states for unity and joint action. Halfhearted or covert support from Britain, France and the Gulf states has only encouraged the mullahs to pursue their tactics of intimidation. A solid phalanx of opposition is something that might be understood even in Tehran.

• Dispatch a senior envoy to Moscow and Beijing to gain a halt to their arms shipments to Iran. Neither has a long-term interest in arming such a disruptive force. That message should be conveyed by every Western leader in the strongest terms.

· Stress through every channel a readiness and capacity to respond to military attacks. Representative Les Aspin has not-ed that if Iran's "invisible hands" continue to place mines in the Gulf, perhaps other invisible hands can mine Iranian harbors, quickly halting Iran's oil exports.

All this is essential to a workable policy. Without such a policy, the risks of further

military improvisation are too high.

America's goal is to contain Iran until a less fanatic regime emerges. Military force is not by itself a strategy. The administration needs a plausible policy to build domestic support in Congress and diplomatic support abroad. Only then might Iran turn inward and confront the nightmare into which Ayatollah Khomeini has dragged it. - THE NEW YORK TIMES.

The Boom Continues

Now commencing its sixth year, the long rise of the American stock market has become one of the great booms of financial history. Stock prices have reached altitudes responsible for an epidemic of nervous indigestion among investors, as investors brace themselves for the inevitable fallback. But, high though it has climbed, the market still is not quite as high as it was in the late 1960s.

One day in December 1968, the Dow Jones Industrial Average of 30 big companies' stocks closed at 985. Corrected for the massive inflation since then, that would be the equivalent of 3,150 today. In fact, the average is still a little short of 2.700. Perhaps the market in 1968 was a bit overpriced, but the present level does not break new ground. Stock prices are still recovering from the damage done by inflation in the 1970s.

The reasons for the present surge upward are not entirely clear, but that is not unusual in a speculative market. One important factor, new in the past five years, is certainly visible: foreign investment, Money managers in Japan and Europe have been enthusiastically buying American stocks. The attractions of the Ameririsks of the dollar's falling exchange rate.

But it is the relationship with inflation that makes the boom interesting. Until 15 years ago it was conventional wisdom that stocks were inflation-proof. They represent, after all, ownership in real assets: factories. machinery, inventories. Those values ought to be constant, regardless of an inflating dollar. But it did not turn out that way. Inflation disastrously skewed and disori-

ented companies' accounting, confusing real profits with mirages created by an unstable currency. Most of the government's early attempts to fight inflation, beginning with President Nixon's disastrous price controls, were bad for industrial performance. By the summer of 1982, when the current boom began, the Dow Jones Industrial Average was less than one-third its 1968 value. The boom started at a point at which inflation was coming down, rapid-ly and convincingly, and the chief threat to the boom now is the evidence that inflation is beginning to accelerate again.

This boom is said to have generated \$2.2 trillion in new wealth for stockholders. It would be reassuring to think that some of that money was going into industrial devel-opment. Individuals can get rich by financial manipulation, but that is not how large

- THE WASHINGTON POST.

A Deal With Managua?

I know what all that palaver about Central American peace plans is about. It's a liberal scam, If those Sandinist Communists sign a peace agreement, they'll cheat, lie and not comply. And if they don't sign, they'll dawdle until American aid for the contras expires. That's what this is all about.

Why are you so self-righteous? When it comes to violating treaties, we're not such innocents. Look at the contra war and our mining of Nicaraguan harbors. What this is reatly about is national interest. For the first time in years, negotiations are in everybody's interest, even the president's. He needs a diplomatic track to get Democratic votes for aid to the contras, so for a while there's an opening for diplomacy.

Sure, negotiations are in the Sandinists' interest. They'll swear to hold elections, free the press, let the Catholic Church have its radio programs, all of that - until we stop funding the contras. Then, quick as you can whisper Fidel Castro, it's back to their real agenda. They want to be a Soviet base and want to subvert the neighborhood. The same folks who whooped it up for Ho Chi Minh are

whooping it up for Comundante Ortega.

Let's not be glib. It was some of your folks who said Red China was pulling the strings in Hanoi. Now we know that the Vietnamese think of China much the way many Latin Americans think of us: darkly. Peace means bread and beans for Nicaraguans. My guess is that Ortega will go along with a peace treaty because he fig-ures his crowd will get the credit — and can win a truly free election. If so, he's got an interest in complying with a treaty.

Right, but meanwhile the United States

would doubly betray the contras. First, we'd deny them guns. Second, we'd be letting the Sandinists rig an election that we would then have to recognize. Some deal.

Betrayal? What kind of betrayal would it be if a peace treaty achieved the contrast purposes - like ending emergency-rule dictatorship, giving real freedom to opposition parties and holding internationally supervised elections? The president has just made a big concession. He's willing to bless a deal letting the Sandinists stay in office as long as they open up their system, stop aiding guesrillas elsewhere and keep out Soviet bases and advisers. Now, for the first time, the Sandinists are talking about the same things.

They'll say anything to get Congress to vote against the contras. Besides, who's to judge whether the elections will really be free and whether those advisers will really be sent hame?

Well, the White House will say anything to get Congress to vote for the contras. Who's to judge? Everyone will be able to see if the press is free, to see if respect for political rights is real. And don't forget, Nicaragua would like to end the nonstop U.S. maneuvers in Honduras.

I don't buy that for a minute, but support I did. Why on earth should Ortega make a deal now with Ronald Reagan when he could spin out the process, bury the contras and maybe get a better deal from the next president?

Because for him, a deal with Ronald

Reagan means more than a deal with a more liberal president; it would be a lot harder for conservatives to renege on it in the future. That's the president's truly effective leverage — since a deal with him is worth more, he can expect more. Anyway, what are we arguing about? The contras can't defeat the Sandinists, even if they get more military aid out of Congress, which is highly uncertain. The United States is not about to send in troops. So what's the alternative to trying to negotiate constructively? There isn't any.

-THE NEW YORK TIMES.

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OPINION

Candidates, Beware the Terrorism Trap

By Jeffrey D. Simon

For Conscientious Objection in the Warsaw Pact

By Miklos Haraszti

the democratization of Eastern Europe. For that reason, Eastern governments faced with growing protests against imprisonment of objectors could split off this right from the others and grant it.

It is a positive sign that the Soviet Union and

its allies abstained in the vote in the Human

Rights Commission, especially since the resolu-tion clearly criticized their practices. This absten-tion indicated the East European governments'

Warsaw Pact rigidity on the issue has become

increasingly untenable because of the growing

number of objectors and, more important, be-

cause the objectors have begun to demand their rights publicly. The longer the Warsaw Pact's

new detente campaign goes on, the more difficult it will be for its members to justify their hard line

toward anti-militarists. That is especially the case

in Poland and Hungary, whose governments

want to maintain a liberal image.

The only armed conflicts in Europe in the last

40 years have occurred when the Soviet Union

armed military service on religious grounds. But ferment. Thus, objection to military service in the not even this dubious alternative is considered an bloc is not only a matter of religious principle but partners insisted on this issue during the current

land, Czechoslovakia, Hungary and even in non-

ily concern everyone and cannot by itself lead to would set a significant precedent. It would, they contributed this comment to The New York Times.

South Africa: 'Miracles Need to Be Encouraged'

By Anthony Lewis

Only East Germany and Hungary permit un-used Warsaw Pact armies to repress democratic chev's peace and glamost campaign. The Warsaw

fear of isolation on this issue.

individual right: It is a bargain struck with cer- also an indication of popular nonviolent demo-

alternative civilian service.

aligned Yugoslavia have focused on this right
Unlike the rights of speech and assembly, the
right of conscientious objection does not necessarHelsinki process and that alternative service

opposing parties to talk to each other.

That is often formidably difficult.

Cal Lutheran Church in South Africa.

Cal Lutheran Church in South Africa.

Cal Lutheran Church in South Africa.

The effects on his mind were more

During his first three detentions he

tests by Amnesty International and others helped win his release.

The most recent detention was from

Nov. 22, 1986, to last Jan. 30. This

time, he says, he was not physically assaulted. But he was questioned from

tain favored churches. Both countries imprison cratic resistance and solidarity.

SANTA MONICA, California — of America's 1988 presidential candidates draw the wrong lessons on terrorism from the Iran-contra hearings, they are likely to fall into the same terrorist trap that caught Jimmy Carter and Ronald Reagan. The temptation to win votes with tough talk about terrorism will be understandably great. But it should be re-sisted if the next president is to avoid the fate of the previous two.

The major terrorism lesson from the arms-for-hostages deal with Iran is not the most obvious "no negotiations with, no concessions to" terrorists or their state sponsors. Rather, it is, "Do not let United States foreign policy become subservient to the reslution of a terrorist incident."

That is the trap. in ideology and personality as Jimmy Carter and Ronald Reagan both fell

DUDAPEST — In a resolution last March, the UN Commission on Human Rights acknow-ledged conscientious objection to military service

as a universal right. It called upon member coun-

tries to stop imprisoning objectors and to create opportunities for alternative service. Since most

Western countries recognize this right, it may seem

However, if the West added the right of consci-

entious objection and alternative service to the

agenda at the Helsinki accords review process, it

would force the communist countries to respect this freedom for the first time.

In Eastern Europe, civil rights movements have demanded the right of conscientious objection in recent years. The commission's resolution

provides support for the many who are in prison

or are threatened with imprisonment for their

tired of the Great War and eager to go home,

decreed the freedom of conscientious objection

in 1918. But soon afterward communist ideology

grew hostile to this, and any right of conscience

objectors of other denominations, and all com-

munist countries imprison those who request

Lenin, who built his revolution on soldiers

conscientious objection stances.

B OSTON — A first step in resolving political conflicts is to get the

floated for Central America, an im-

And then there is South Africa,

perhaps the most tormenting example of all. Its reality was brought poi-

gnantly home to me in a recent con-

versation with a noted victim of the

that the West has little reason for concern.

Americans to the need to tone down the national reaction to terrorism. The tendency to create crises over terrorist incidents and to search endlessly for "solutions" has negatively

affected U.S. foreign policy.
The last two presidents have allowed understandable compassion for the fate of American hostages to color their perception of what would be best

In Mr. Carter's case, the search for a solution to the hostage situation in Iran led to a yearlong paralysis in American foreign policy. In President Reagan's case, the desire to win the release of hostages in Lebanon led to one of the more questionable foreign

victim to the terrorist trap should alert tunately no solutions or ultimate victories. The numerous terrorist groups that exist around the world, and the large pool of available American targets - civilians, diplomats, military personnel - ensure that Americans

vill always be at risk to terrorism. The irony of the arms-for-hostages deal is that even if it had "worked," on the very day the hostages would have come home, new ones could have been taken in Lebenou or elsewhere.

Another fact about terrorism that Americans have ignored is that despite offorts by governments to combat this threat, it takes only a single terrorist incident — a hijacking, a bombing, an assassination — to make it appear that the terrorists are "winning.



only plays into the terrorists' hands. What, then, can be done to break

out of this terrorist trap?
First, a rethinking about terrorism is in order. Since terrorism for the nost part does not pose a threat to vital U.S. interests, Washington needs to shift away from the practice of designing high-level policies for what are essentially low-level threats.

It should also avoid issuing grand doctrines and principles to guide responses to terrorism. Principles such in futable evidence" and "no negotiations, no concessions" serve only to reduce American flexibility in esponding to terrorism.

Also beneficial would be a con-

scious effort by presidents and other government officials to avoid fostering an image of crisis in Washington every time terrorists strike. While there cer tainly cannot be a business-as-usual approach to terrorism, the tendency has been to go to the opposite extreme, as illustrated by the presidential ad-dress to the nation as soon as the hostages from the TWA hijacking were released in the summer of 1985.

The public, Congress and the news media will naturally demand strong action on the part of a president whenever terrorists attack American targets. And strong responses, including military raids, will be required at times to demonstrate American resolve.
But every terrorist incident does not

require a response or deserve to be treated as a test of national nerve. Doing so only complicates the issue and gives terrorists the international platform that they desperately want.

If there has to be "tough" talk on terrorism during the presidential cam-paign, it is to be hoped that it would be that terrorists are not going to be allowed to influence the course and direction of American foreign policy. Otherwise it will be only a matter of time before the next president falls into the terrorist trap.

The writer conducts research at the Rand Corporation into international ter-torism. This comment in The New York Times was drawn in part from an article in the summer issue of Foreign Policy.

believe, acknowledge that the state's sovereignty over the individual cannot be absolute.

This breakthrough would require more than the natural attraction of the Western example. What we need is for the Western signatories to

the Helsinki accords to embrace the universal

right of conscientious objection, and for all Hel-

sinki members to legalize conscientious objection

and institute alternative service.

The easy verifiability of such an agreement

makes it eminently suitable for the Helsinki framework. Either the objectors are in prison or

their rights are being respected.

Diplomats should not regard this issue as

marginal or as a matter of a country's internal affairs. If indeed the Helsinki spirit couples European security and the freedom of the individ-

ual, then the right of conscientious objection embodies this spirit. The absence of this right in the East is a threat to Western security. Can the

Warsaw Pact's aims be truly seen as nonaggres-

sive while it punishes its citizens for not wanting

to look at other countries as enemies?
The resolution of the UN Human Rights Com-

mission should become a test of Mikhail Gorba-

The writer, a Hungarian social critic, is author of a book on the plight of intellectuals under communism that is soon to be published in the United States. He

acles need to be encouraged.

stays out of detention, he will imme-

diately be caught up in the apartheid maze. He has been declared a citizen

121 congregations he supervises.

He plans to return to the Minne-

apolis center for more treatment lat-

er in the year. Dr. Chester said that

the five months he has been there so

far were "a short time, given the

trauma he went through."

I asked Dean Farisani what he

thought would happen in South Afri-ca. "If I had to choose," he said, "I

What black South African knows

what will happen to him the next day?

Wishes are not always horses, and

therefore beggars cannot always ride."

The New York Times.

Helsinki review conference in View

cratic resistance and solidarity.

dimension in Eastern Europe would then open
Human rights activists in East Germany, Poup — that of a guaranteed individual freedom.

traumatic. After his release he found

sani has been at the Center for Torture

Victims in Minneapolis. It is the third

such center in the world, following

others in Copenhagen and Toronto.

Dr. Barbara Chester, a psychologist who directs the Minneapolis center, said it was not unusual that psychologist.

gical methods had a more traumatic

effect on Dean Farisani. "He was evi-

dently prepared for physical torture,"

she said when I telephone her. It didn't go to the core of his being, But the psychological techniques did."

Despite all that has happened to him, Dean Farisani believes in negoti-

ations as the way out of South Africa's

crisis. And he said the talks must be

with the Afrikaners who control the

National Party and the government.

"Blacks have never had any prob-lem talking to Afrikaners," he said. "It's they who have had the problem.

on the part of the Afrikaner, the refus-

"It's a long historical suicide note

when I telephoned her. "It

that he could not concentrate. For the last five months Dean FariNicaragua: A Tragedy Of Errors

By William Safire

WASHINGTON — After a couple of years trying to run for-eign policy without Congress, the Reagan administration swung to the other extreme: It sought to wheedle continued aid to the contras by abdi-cating foreign policy leadership to the speaker of the House.

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That, too was folly. Nobody will go to jail for the latest collapse of the Reagan will; no public hearings will expose the blundering that led to the unconscionable sellout of national interest in preventing further communist penetration of the Western Hemihere. No venality or corrupt secrecy his time; only the defeatism and confusion among the Caretaking Corps.

Howard Baker, the White House

chief of staff, counted noses and found that contra aid was 35 votes short in the House and a couple short in the Senate. He decided that the president did not have the stamina or public did not have the stamina or public support to make a fight on principle. So the amiable Tennessean sent a Texas demissary to Speaker James Wright, in effect offering to make him secretary of state in matters Central American.

Mr. Wright drove a hard bargain with the Baker White House. No extended the second of the second

tension of contra aid during the 60 days in which a cease-fire would be sought. No role for the contra leaders in determining their own fate; let them complain through the Red Cross. And not a peep out of the anti-Sandinists in the United States: not one privately financed television ad, not one Reagan remark that would in any way irritate Managua — an unprecedented gag rule on the executive branch, perhaps in congressional retribution for the undue secrecy practiced in the Regan-Poindenter White House.

Mr. Wright's peace plan had one saving grace. In conjunction with a crase-fire and an end of military aid to the resistance, the communist government would have to commit to some of the elements of democracy that it promised when it took over in 1979. Although the Reagan cave-in treated the contras as badly as Richard Nixon treated the Kurds, at least it did not 'g' adopt the let's-not-meddle-internally theory of negotiator Philip Habib. While the White House was concen-

trating on negotiations with Congress; Howard Baker gave little consider-ation to the effect of a drastic weakening of Mr. Reagan's support for the contras on the Central American presidents about to meet in Guatemala with Daniel Ortega, the Nicaraguan dictator. The State Department sent up no urgent red flags that a surprise Reagan compromise might trigger a major appeasement move.
That was why Mr. Beker (focused on

making a political deal on the Hill) and Mr. Reagañ (preparing an Iran-contra speech to avoid the rigor of a news conference) were blindsided by the sudden adoption of the Arias plan in Guatemala. It was not in their scenario.

improvising in what it had inadvertently made a dangerous situation, the White House did not knock down speculation that its deal with Mr. Wright had been designed to push the tion. The stunned Baker-Shultz crowd "welcomed" the unwelcome development and took undeserved pats on the back for anticipating the unexpected reaction in Guatemala and for thus speeding the "peace process."

Then the House speaker wilted under the heat from Democratic doves for having dared to suggest that with-drawal of contra aid be linked to political freedom in Nicaragua. Mr. Wright removed the sole element of backbone in the deal he had worked out with Mr.

Baker by announcing, "It's the Guate-mala plan that has to prevail." Mr. Baker's folly of a pre-emptive compromise with Congress thus failed last miracle was when Jesus turned spectacularly. The surrender in Guatemala calls for a cutoff of U.S. contra the water into wine. There's still more aid now, but guarantees that dictator Ortega remains in power through for a South African miracle. But mir-Dean Farisani is going back to South Africa this week. Even if he 1990. The Sandinists will continue to

get arms from Moscow, during which time the resistance that Washington abandoned will be ruthlessly crushed.
At that point, the Managua-susof Venda, with no right to enter tained subversion of El Salvador will be renewed. No Nicaraguans would be 121 congregations he supervises. applying pressure to the Sandinists' expansionist regime. Mr. Reagan will then be chopping wood in Santa Barbara. No wonder so many candidates dissociate themselves from a policy likely to bedevil the next president.

Belatedly, Cap Weinberger and Frank Carlocci explained the extent of thought would nappen in South Arn-ca. "If I had to choose," he said, "I the perfidy to Mr. Reagan, who told the State Department to restrain en-wouldn't have to worry about detention or death. But I have to be realistic. the coup de grace to the contras. That was why Mr. Habib quit in a huff. What a tragedy of errors. As the

saying goes, none of it would have happened if Ronald Reagan were alive. The New York Times.

Support the Strike and Tough Sanctions

apartheid system. He is Tshenuwani assaulted. But he was questioned from Simon Farisani, dean of the Evangeli-five to 10 hours a day, and threatened

In the Middle East, Arab states out trial for four lengthy periods refused for decades to talk with Isra-

el; now a divided Israeli government the tribal homelands that South Afri-

rejects an internationally sponsored ca has declared "independent" but

mediate problem is the unwillingness of the Reagan administration to negotiate directly with Nicaragua.

was brutally tortured: hung upside down, given electric shocks, beaten. He suffered two heart attacks. Pro-

peace conference. As peace plans are that no other country recognizes.

MINING is one of the most dangerous, backbreaking occupations even in the best of circumstances. Under institutionalized racism it becomes an intolerable one, which is what the nationwide strike of black South African gold and coal miners is all about. According to the American Labor Education Center in Washington, 12 times as many miners are killed per million tons mined in South African mines as in the United States. Black miners live herded into barracks in walled compounds far from their homes and families.

The strike may be the most important labor conflict in South African history. The NUM and anti-apartheid groups are calling ou concerned Americans to support the striking miners by supporting anti-apartheid legislation sponsored by Representative Ron Dellums, a California Democrat, that would ban almost all South African exports to the United States, including coal; by honoring the boycott of Shell Oil, which operates one of the mines being struck; and by contributing to the South African Miners Aid Fund. - Syndicated columnist Coretta Scott King.

T IS TIME for Congress to pursue full corporate divestiture and an end to all bank lending to South Africa. Partial sanctions have only partial results; the willingness of some countries to break UN sanctions against Rhodesia was a significant factor in prolonging that country's civil war. Comprehensive sanctions would have a chance to work. If rigorously enforced, they could put

toward civil war. The American people need not sit around and wait for politicians to act. It is only through grass-roots actions, like the ongoing international boycott of Royal Dutch-Shell and divestiture campaigns, that Congress will be moved to take stronger action, and that corporations, motivated by lost profits, will be moved to stop investing in apartheid.

actions alone cannot exadicate apartheid; that task is ultimately left to the people of South Africa. But economic pressure and political isolation of the government can hasten the day when justice and freedom reisn. - Richard L. Trumka, president of the United Mine Workers of America and co-

chairman of a national "Boycott Shell" Committee, in the Los Angeles Times.

significant pressure on Pretoria to negotiate an end to apartheid.

Sanctions are a nonviolent alternative to doing nothing as South Africa inches

there were three possibilities.

The most pessimistic was an escalation of violence. The second was the chance of strong support from the

only survive on ignorance."

outside world pushing the government to the negotiating table.
"The most optimistic," he said, "is the miracle option. I don't think the

al to talk. Today they have become a lonely wolk of 2.8 million in a nation of IN OUR PAGES, 75 AND 50 YEARS AGO over 30 million - not so much be-1912: Rome Interested 1937: Shanghai Shelled cause they are hated but because they ROME — The initiative taken by PARIS—Developments in the Sinohave decided to isolate themselves from their fellow citizens."

Count Berchtold, the Austro-Hungar-President P.W. Botha has been ian Minister of Foreign Affairs, with determined to prevent talks with the principal anti-apartheid organization, the African National Conkan simution and which was communicated three days ago to the Italian Government, is being followed in Italy gress. He excoriated an unofficial group of Afrikaners who recently met ANC leaders abroad. The reason, with great attention, and in official circles with sympathetic interest. Italy from the very first united her efforts Dean Farisani said, is that people will think differently if they actually meet the other side. "The ideology can with those of the other Powers in order to prevent Montenegro from taking aggressive action. While the war is still Was there any real hope of negotiations? I asked. Dean Farisani said proceeding, she cannot exert direct pressure action in Constantinople. But Austria and the other Powers will be informed without delay of her adhesion to the proposal, with the hope that the joint advice of the Powers

Japanese situation: Shanghai was subjected to a terrific bombardment the object of provoking an exchange of by the Japanese to cover an attempt views between the Powers on the Balto land troops at the mouth of the Whangpoo River. The Idzumo, flag-ship of the attacking fleet, withdraw after a torpedo had been fired at it. A spokesman of the Tokio Foreign Office confirmed reports that Japan's diplomatic representative in Nanking had been withdrawn. President Theodore Roosevelt and Secretary of State Cordell Hull conferred on the safety of Americans in China and the possible application of the neutrality law.

Liners prepared to evacuate American women and children from Shanghai. The Federal Reserve ordered the closing of all American banks in may put a stop to the troubles in the Shanghai. It was announced that Chiinterior of Turkey and strengthen the "status quo" of the Balkans. na had concluded a \$50,000,000 credit with Skoda Steel Works in Prague.

Clashes with Kill 18, Manila Says Reuters MANILA—The authorities reported Sunday that 18 persons were killed in battles between gueral and security forces over the military s

ported Sunday that 18 persons were killed in battles between guerpast two days in the central and rebels and 2 soldiers were killed

Corazon C. Aquino faced protests of the New People's Army in Buover higher prices for gasoline and kidnon Province on Mindanao Is-

It appeared that the price in-reases, ordered by the Energy bels were killed and four were cap-Regulatory Board, could turn out tured in a separate clash Saturday to be the most unpopular measure in Surigao del Sur Province, east of taken by the Aquino government in Bukidnor

its 18 months in power.
A national organization claiming 200,000 public transport drivers as members said it would call a dawnto-dusk strike Monday in Manila and five provincial cities to protest the nearly 20-percent increase.

Bonifacio de Luna, president of the Philippine Confederation of Drivers' Organizations, said he would go to the Senate on Monday to present a formal petition for a reversal of the price rise. He warned that his organization would hold a wider and longer strike if the petition was turned down,

In the central Philippines, rebels Asunched simultaneous attacks at clawn Sunday on two police stations on Negros Island, killing a decision before the legislative elecpolice officer and a militiaman, the police said.

One of the raiding parties was led by a woman who was heard

Compiled by Our Stuff From Dispatches

main Tamil guerrilla group has sus-

pended its surrender of weapons, demanding security for the Tamil

population and closure of army

camps, Tamil sources said Sunday.

Eclam made the announcement in

the northern town of Jaffna on Sat-

urday after complaining that Tamil

givilians were being harassed by Sri

Lankan troops in Eastern Province,

it got "a guarantee about the safety

and sexual harassment of women.

The sources said that senior Indi- sporadic.

By Paul Delaney

New York Times Service

sitting around drawing rooms debating whether Spain's is a macho society. That is a given.

But a clearer idea of what that means has emerged

The survey drew immediate approval from femi-

nists, an endorsement from the country's largest news-

paper, and even agreement, amid yawns, from many

The report, by the women's department of the General Union of Workers, said 84 percent of the

women in the survey had experienced some form of

what they regarded as sexual harassment.

in the first large study in Spain of job discrimination

MADRID - Spaniards do not spend much time

the sources said.

The Liberation Tigers of Tamil

Tamil Rebels Halt Surrender

NEW DELHI - Sri Lanka's about the Liberation Tigers' de-

Indian newspapers quoted the should end by Saturday at the lat-

Liberation Tigers' commander in est. But officials said the two na-

Jaffna as saying that his organiza- tions had agreed to postpone the

tion would not lay down arms until move because the surrender of

of the people." There were no fur-ther details.

The sources said that senior Indi-

Of Arms, Demand Security

MANILA — The authorities reorted Sunday that 10 meters (two miles) from Bacolod.

In the south, the military said 12 In Manila, meanwhile, President trol battled Communist guerrillas Saturday when a government pa-

In Manila, reactions to the fuel price increase included a flood of telephone calls to a popular radio station, DZRH. Angry callers accused the government of callous-

They said an oil price rise would trigger increases in the prices of prime commodities, further bur-dening a population already struggling with economic hardship.

"Students, mothers, fathers should go out in the streets tomorrow and join the protest," said a caller who gave his name as Joe Garcia.

tions in May, none of Mrs. Aquino's candidates for Congress would have won. The government party holds 22 of 24 Senate seats shouting "kill the police" before and more than 130 of the 200 seats the rebels opened fire and tossed a in the House of Representatives.

an officials had been told in detail

The Sri Lankan government de-layed its expected declaration lift-

ing a state of emergency in North-ern Province and Eastern Province.

Lanka and India on July 29 provid-

ed that the state of emergency

weapons by the Liberation Tigers

A peace accord signed by Sri

as well as in Jaffna.

In Sri Lanka, Monks' Saffron Robe Is Turning Into a Signal of Militancy see themselves in larger terms as ed to the historic role the Sri Lan-

New York Times Service

COLOMBO, Sri Lanka - In hat could be a curious omen of violence, the authorities here have reported a run on saffron robes, the traditional garb of Buddhist

In Sri Lanka, where the politically powerful priesthood has been at the forefront of much of the recent violence, the robe, traditionally an emblem of tolerance and peace, has

mands and that discussions might be held with the group in Tamil Nadu, where it maintains offices, With senior monks haranguing angry crowds and younger monks times attacking police lines and throwing stones, secular agitators have also been reported to be donning saffron, the better to arouse emotions at demonstra-

> Senior monks deny that they support violence, but they also say that violence may be inevitable as they carry out what they see as their role as protectors of the Sinhalese, the majority ethnic group in Sri

Although the mostly Buddhist Sinhalese make up 75 percent of the 16.5 million Sri Lankans, they

Spain Finding Out How Macho It Is It found harassment by male colleagues was focused mainly on new employees and on those from 26 to 30

ed they had been denied promotions be-

tims and help for women in resisting harassment.

official of the women's department.

now seen the light of day."

The report and recommendations are to be present-

"The report bears out what we've been saying for

nonpracticing Catholics or atheists.

most of the complaints.

responsibilities.

years old. Others reported to be singled out were women who were divorced, separated or widowed, and the population and are seen historias encroaching from the The researchers found discrimination in salaries north, the Buddhist clergy is fightand promotions mainly in manual-labor and bluecollar jobs and in the private sector. Many women said

cause of their sex. Women who had been in their jobs four years or more and those over 40 years old made Jayawardhanapura University. "It has been traditional in the past for the rulers to consult the The study offers several recommendations, including new laws to prohibit sexual harassment and pro-

president but he doesn't care." A Sinhalese Buddhist scholar who disagrees with that view said: ed next month to the Cortes, or parliament, said an "The monks don't think that vio-

By Seth Mydans being under pressure from the Hin- kan Buddhists feel they have to du Tamil ethnic group, and even protect the Sinhalese race.

from the smaller Moslem popula
Mr. Wimalaratana said: tion of Sri Lanka.

become a signal of militancy.

on of Sri Lanka.

Sands of people are coming to the temples to ask the monks. Why are minorities is at the heart of the you waiting? Why don't you take that have produced sustained vio-"Violence is not the proper way," he said, "But you see, we all

lence in the last four years. In their fight for a separate state, are human. Tamil guerrillas have received sup-

port from the much larger Tamil population outside Sri Lanka, inchiding 50 million in southern In-A Sinhalese political scientist, speaking of what he called "the Buddhist gathering, when one

the offensive. We are on the defen-They will drive us into the sea." he said, "and we have no place to go. The Tamils can join their brothers in south India. The Moslems dents, said: "Why not? We are be-ing provoked. We are being shot. We cannot stand any more." can go to the Arab world. The Sin-

1,000-year war," said: "They are on

halese have no place to go. We are a nation under seige."
From Sri Lanka's earliest days, the protectors in this seige have been the monks, guardians of a

culture whose roots are intertwined with the history of Buddhism itself. It is said that when the Buddha was dying, he saw his teachings under threat from Hinduism and

looked south to the island now called Sri Lanka as Buddhism's As the government takes steps to work out a compromise with the Tamils, who make up 15 percent of

The monks are angry," said B. cleric and a lecturer at Sri

Buddhist clergy, and to listen to them," he added. "But now there grams to make employers aware of their are many occasions when the elderly monks had discussions with the It also recommends psychological support for vic-

> lence in defense of the Sinhalese race is anything bad."
> Neelan Tiruchelvam, a moderate

> Tamil leader, said, "The basic virtues of compassion, tolerance and nonviolence have been subordinat-

Nearly a third said they had been bothered by unwanted physical contact." such as being pinched or brushed against, or by sexual solicitations and telephone calls. More than half said they had experienced unwanted nonverbal sexual advances, including obscene gestures and "lascivious looks." The survey questioned 772 workers in the government, at hotels, hospitals and factories, and white-





collar employees such as journalists and flight issue, nobody paid any attention. We're glad it has





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For Hong Kong's Indians, 1997 Brings a Vision of Limbo

By Parrick L. Smith mal Herald Tribune

HONG KONG - They were there when British traders first hoisted the Union Jack over this dot of problems arise after 1997. land 146 years ago. In the docades following, they went on to help found Hongkong & Shangha Banking Corp., the colony's first university and a number of other still-prominent local institutions.

Hong Kong's 16,000 ethnic Indians have left an unmistakable mark on the community they quietly took part in carving out of barren rock. But historic legacies do not go far these days.

As things stand now, the Indian community of Hong Kong is about to fall through history's cracks. When China regains sovereignty over the colony in a decade, many of the community's members will not belong in Hong Kong, India or

"At the end of the day, we're running a serious risk of statelessness," said Michael Chugani, a local political commentator whose parents arrived from the subcontinent in the 1930s. "We really won't be citizens of anyplace."

For most of the territory's 5.6 million people, the expiration of Britain's colonial leases in 1997 means they will automatically become citizens of China. But because China bestows citizenship on the basis of racial background, Indian residents and smaller groups of Pakistanis, Malaysians and others will effectively be treated as visitors.

Leaders of the local Indian community mounted an intense lobbying effort last year to persuade Britain to grant them full citizenship once Beijing assumes sovereignty. Rejecting this, British legisla-tors offered only an unwritten commitment to accept Hong Kong's minority groups if citizenship

More recently, hopes were pinned on the chance of a Labor Party victory in the general elections Citizens," or BDTCs, a designation that dates from 1981. As Hong Kong BDTCs, Indians and others have the right to live in the colony but not in

Because Britain is giving up the power to confer Hong Kong citizenship, however, their status is to

'At the end of the day, we're running a serious risk of statelessness. We really won't be citizens of anyplace."

> - Michael Chugani. political commentator

Britain held two months ago. British Conserva-tives, particularly under Prime Minister Margaret Thatcher, have traditionally been much tougher than their opponents on immigration issues. Indians in Hong Kong say.

Since Labor's resounding defeat, however, many Indians feel a profound sense of resignation.

"A Labor win was our last best hope." said Lachman Narain, a well-to-do investor and prop-

erty developer. Since the early 1960s, when most British colonies gained independence, the authorities in Lon-

don have created a tangle of immigration catego-

At the moment, Hong Kong residents of Indian descent, as well as more than three million local

Mr. Wimalaratana said: "Thou-

He blamed hot-blooded younger

The intentions of some of these

monks for the violence, saying.

"They are teen-agers, and it is diffi-cult to control their emotions."

monks seemed evident at a recent

younger monk said, "If we are not

militant and if the country is not

protected, then there will be no

Asked if he favored violence, the

monk. a member of the militant

Inter-University Federation of Stu-

A demonstration last month by

several hundred monks touched off

the most recent wave of violence on

the day before Sri Lanka and India

ries intended to stem the flow of former colonial subjects into Britain.

ment voted to turn Hong Kong BDTCs into "Brit-ish Nationals Overseas." or BNOs, a status that gives them the right to live no one quite knows China has agreed to permit non-Chinese BNOs

change once again. Last year the British Parlia-

to remain in Hong Kong as long as they have seven years' residence behind them. But the BNO passport, which has been recognized by about 27 na-tions since it was introduced, does not confer

Britain is campaigning assiduously to win greater international acceptance for the BNO passport. Beneath the sense of resignation, a measure of bitterness lingers. As the Indians see it, they helped build an empire, growing rubber in British Malaya. now Malaysia and sugar in Fiji. In East Africa. now Uganda and Kenya, they were brought in to

build roads, ports and railroads. "Wherever the Britishers went, we went also." said K. Sital, a financier of the import and export trade who arrived from India in the early 1950s.

Indians were first brought to Hong Kong to serve as soldiers, clerks and policemen. They quickly assumed prominent roles in the financial and trading communities.

After India's independence and the subcontinent's partition into India and Pakistan, a new wave of immigrants came, mostly from Sind, long renowned for its merchant class. About half of the territory's 16,000 Indian residents have retained Indian citizenship.

Although Hong Kong's Indian residents account for a minute fraction of the population, they are responsible for about 12 percent of the territo-

ry's overseas trade, by their reckoning. Like many other Hong Kong residents, Indian executives say the object now is to cash in as fully as possible on the economic boom that Hong Kong

Many say they are willing to try living under the Chinese flug at least during the 50-year period of self-rule that Beying has promised Hong Kong after 1997. But the sense of belonging that Indians feel they have earned over the past century and a half is fading.

At the end of the day, you have to conclude

that things don't hold much promise here." Mr. Chugani said wistfully. "People think it's time to make their own arrangements.

Hanoi Allows **Transport** For Profit

BANGKOK -- Vietnam has extended private enterprise reforms to allow private shipment of passengers and goods, a potential boon for the Communist state's ailing transportation network, the state radio said.

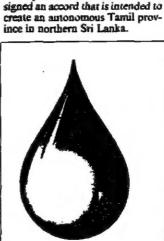
A reform recently announced in Hanoi encouraged private individuals or groups to operate vehicles for profit under state protection. the radio said Saturday.

It also encouraged officials and others who already have jobs to take a second job in private transport, according to a text of the radio broadcast received in Thai-The incentives include a half-

year tax break and state protection for operators, who would be able to keep all after-tax profits. Basic transport fees would be

regulated for established routes but operators would be allowed to set their own prices for special ser-Since 1979, reformers in the

Communist Party have been whittraveler peers from a truck in Ho Chi Minh City. Officials now want tax breaks for private transportation.



CHALLENGEOFTHE

THE EIGHTH ANNUAL INTERNATIONAL HERALD TRIBUNE/ OIL DAILY CONFERENCE, LONDON OCTOBER 22-23, 1987

THE program is designed to assist senior executives in the petroleum industry and related fields to determine their business strategies into the 1990's. The Honorable John S. Herrington, Secretary of Energy, United States, H.E. Abd al-Hadi Muhammad Kandil, Minister of Petroleum and Mineral Resources, Egypt, H.E. Rilwanu Lukman, Minister of Petroleum Resources, Nigeria, President of the OPEC Conference, H.E. Arne Oien, Minister of Petroleum and Energy, Norway and The Rt. Hon. Cecil Parkinson M.P., Secretary of State for Energy, United Kingdom will head a distinguished group of energy and financial leaders from around the world. Senior Executives wishing to attend the conference should complete and mail the registration form today.

OCTOBER 22

UNITED STATES' ENERGY POLICY
The Honorable John S. Herrington, Secretary of Energy,
United States CHALLENGE OF THE 1990'S A CORPORATE VIEW John R. Hall, Chairman and Chief Executive Officer, Ashland Oil Inc. Ashiand Oil Inc.
Phillip Oxley, Chairman, Tenneco Europe Ltd
Nader Sultan, President, Kuwan Petroleum Interpational Ltd.

GLOBAL DEMAND AND SUPPLY: AN OVERVIEW John H. Lichtblau, President, Petroleum Industry Research Foundation.

Respondent: Herman T. Franssen, Economic Advisor of H.E. The Minister of Petroleum and Minerals of the Sultanate BREAKOUT GROUPS (These three sessions will run concurrently) NORTH AMERICAN MARKET
Theodore R. Bek, Chief Economist, Amoco Corporation
Milton Lipton, President, W.J. Levy Consultants Corporation

THE EUROPEAN OUTLOOK Giuseppe Sfilgiotti, Esecutive Vice-President, AGIP SpA Ted White, Managing Director, Perroleum Economics Ltd THE PACIFIC OUTLOOK Dennis LOPPins Dennis J. O'Brien, Chief Economist. CALTEX Petroleum Corporation

THE OUTLOOK FOR THE UNITED KINGDOM'S PETROLEUM INDUSTRY
The Re. Hon. Cecil Parkinson M.P. MARKET FORCES IN CHARGE OF SUPPLY MANAGEMENT
John Deuss, Chairman, Transworld Oil Ltd.
ENERGY SECURITY AND THE MIDDLE EAST ENERGY SECURITY AND THE MIDULE EAST GEOPOLITICAL OUTLOOK Charles DiBons, President, The American Petroleum Institute George Quincey Lumsden, Director, Oil Market Development, International Energy Agency Mehdi Varzi, Senior Analys, Kleinwert Grievson & Co. Moderator: Robert Mabro, Director, Oxford Institute for Energy Studies.

REGISTRATION INFORMATION The fee is £595 (plus VAT @ 15% £89.25. total £684.25) or the equivalent in a

convertible currency for each participant. This includes lunches, a cocktail reception and post-conference documentation. Fees are payable in advance of the conference and will be returned (less £50 administration charge) for any cancellation postmarked on or before October 12. Cancellations postmarked later than October 12 will be charged the full fee. Substitutions may be made at any time.

Please return the registration form to: International Herald Tribune, Conference Office, 63 Long Acre, London WC2E 9JH, or telephone (441) 379 4302 or telex 262009.



and a offering a special service for all delegates travelling from the United States. For further decads please cell Berbara McConnell 1-800 327 1500. Ref. CVN 67104

OCTOBER 23

MINISTERIAL PRESENTATIONS AND DISCUSSIONS H.E. Rilwanu Lukman, Minister of Petroleum Resources, Nigeria, President of the OPEC Conference
H.E. Arne Oien, Minister of Petroleum and Energy, Norway
H.E. Abd al-Hadi Muhammad Kandil, ra.e. And ai-rtadi Muhammad Kandil, Minister of Petroleum and Mineral Resources, Egypt Moderator: Herman T. Franssen, Economic Advisor of H.E. The Minister of Petroleum and Mineral Resources of the Sulmaste of Oman

THE WORLD ECONOMY, RETURN TO NORMAL GROWTH! THE WORLD ECONOMIC RESIDENCE FOR International Economics, former Chief Economist, O.E.C.D. Respondent: Timothy Congdon, Chief U.K. Economist, Shearson Lehman Brothers

BREAKOUT GROUPS (These three sessions will run concurrently)
FINANCING EXPLORATION AND DEVELOPMENT Jean Claude Balaceanu, Director General, Insurut Français du Petrole David Parker, Manager, Project Finance Unit, National Westminster Bank

THE FINANCIAL HEALTH AND PROFIT PROSPECTS OF THE Dillard Spriggs, President, Petroleum Analysis Ltd. CHINA: PROSPECTS FOR Oil DEVELOPMENT Kim Woodard, President, China Energy Ventures

LUNCH FINANCIAL STRATEGIES FOR THE OIL INDUSTRY: NEW INSTRUMENTS AND MARKETS Rodney F. Chase, Group Treasurer, B.P. Finance International R. Hartwell Gardner, Treasurer, Mobil Oil Corporation Robert B. Weaver, Senior Vice-President, Global Energy Executive, The Chase Manhattan Bank, N.A. IMPROMPTU PANEL DISCUSSION Moderator: Nicholas G. Voute, Oil Cons London and The Hague



CONFERENCE LOCATION Royal Garden Hotel, Kensington High Street, LONDON W8 4PT. Telephone (441) 937 8000. Telex: 263151. A limited number of rooms has been reserved for participants at preferential rates. Reservations must be received by October 5. Please contact the hotel directly. CONFERENCE REGISTRATION FORM

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Ideas bring growth to finance.

The birth of Ferruzzi Agricola Finanziaria.

In October 1985 Gruppo Ferruzzi set out its plans to create one of the biggest agro-industrial groups in the world, to extend its activities into new sectors and to expand into new continents. In less than two years Gruppo Ferruzzi has become the largest agro-industrial group in Europe and the third largest in the world. Furthermore it is the second private-sector industrial conglomerate in Italy with an aggregate turnover of over 18 billion dollars. The Group's idea to use agricultural products for industrial and energy uses, and its related programme for environmental protection is a focal point of international debate. The driving force behind this extraordinary expansion has been Agricola Finanziaria, the Group's holding company. Its success on the financial market has allowed it to make large-scale investments such as the acquisition of CPC Europe, leader in the starch sector, the acquisition of a controlling interest in Montedison and Béghin-Say, and the restructuring of the sugar sector which makes the Group Europe's leading sugar producer. The market capitalization of the Agricola Finanziaria group amounts to about 20 billion dollars.

And now it is time for it to grow even more.
Agricola Finanziaria is increasingly identified with Gruppo Ferruzzi and so Ferruzzi Agricola Finanziaria has been born.

Or Two bu

MENTER OF THE PARTY

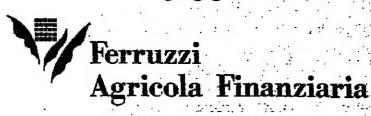
 $\frac{2n\beta e^{-\frac{1}{2}}}{\sqrt{1-\varepsilon}} \leq \frac{1}{\varepsilon^{\frac{n}{2}}} \leq \frac{1}{\varepsilon^{\frac{n}{2$

All the activities of the Group will converge in the new holding company so that in due course Ferruzzi Agricola Finanziaria and Gruppo Ferruzzi will form a single entity. Its theatre of operations is increasingly worldwide.

Ferruzzi Agricola Finanziaria will span five

Its widely diversified activities follow a single vertical structure from agriculture to services, from trading to agro-industry, from chemicals to the advanced services sector and finally to numerous industrial and financial shareholdings. Ferruzzi Agricola Finanziaria will be quoted on all the main European Stock Exchanges including London and Paris. This will lead to a broad national and international shareholder base in line with the Group's importance. The cycle is in constant movement: two years ago ideas brought growth to finance. Today

Finance is bringing growth to ideas.



الككنا من الأصل

EUROBONDS

After Trade Data, a Tremor Or Two but No Catastrophe

By JONATHAN ENGEL

sternutional Herold Tribune

ARIS — In case you missed it, Sunday was the day of harmonic convergence. That's when crowds gathered in the United States and other countries to pool their spiritual powers and counteract the catastrophic vibrations that could doom the Earth within 25 years - that is, according to Mayan and Aztec legends.

The bond market equivalent of harmonic convergence was the Health of the He

expected late last week, when strong Japanese demand at the U.S. Treasury auction was expected to coincide with better-thanexpected U.S. trade ligures and produce a period, if not of peace and enlightenment, than at

least of higher bond prices. The market soothsayers got While the shortthe auction right: Japanese interests bought about 40 perterm outlook for cent of the key 30-year bonds Thursday. The June trade figdollar bonds is still ures on Friday were another story. Expectations that the cantious, it is far deficit would narrow to about from gloomy. \$13 billion from around \$14 billion in May were dashed when the deficit weighed in at \$15.7 billion. Initially, as the dollar fell, so did the bond market, an

unexpected convergence that left few singing.

But then the bond market bounced back, as some analysts and market operators disregarded the trade figures as a less-than-certain indicator for the path of the dollar and U.S. interest rates.

There was also strong buying at the lower prices, partly by institutions that failed to get bonds during the auction.

The new 30-year bond, which had fallen as much as 14 points. ended Friday yielding 8.74 percent, an improvement from the 8.79 percent at Thursday's finish and the average auction yield of 8.89 percent.

As a result, while the short-term outlook for dollar bonds is still cautious, it is far from gloomy. But few analysts expect a rally lasting through the end of the year, as an expected increase in inflation is likely to prompt higher interest rates from the Federal

For the Eurobond market, syndication managers say, the resilience of dollar bonds has heightened the chances of Belgium and at least one U.S. corporation launching sizeable fixed-rate dollar issues as early as this week.

EANWHILE, last week's flow of Australian and Canadian dollar bonds may diminish, as the sharp improvements in the two countries' domestic bond markets have made funds there relatively cheaper, and increased the difficulty of launching a Eurobond based on a swap for a domestic

Even before the release of the U.S. trade figures, some analysts were uncertain about the Treasury auction results. The nagging doubt was whether there had been orders from Japanese insurance companies and trust banks behind the bids from the

"The key question is whether those traders are going to be able to sell it to retail," said Karen Greenberg, a bond syndication manager at Morgan Stanley International in London. Because of the trade figures, she said, "I suspect that now it's going to be dumped right back in" the market for a quick profit.

At the previous quarterly refunding, in May, much of the surprise Japanese purchases of the long bond turned out to be

buying by securities dealers to cover their earlier sales of bonds they did not yet own; they made a quick profit, but actually held flat positions. There had been little buying by Japanese institu-

This time, the institutions appear to have been bigger players. "I think there was a very good demand," said Robert Brusca, chief economist at Nikko Securities Co. International Inc. in New York. "The retail investor in Japan did buy a lot of bonds."

In the May purchases, "short covering was a bigger portion than investment," said Yukio Okura, treasurer of Taiyo Asset Management of America, based in New York. But Mr. Okura, who represents an arm of Japan's eighth-largest life insurance investment purposes." The reason, he said, was that "the exchange rate from the year

to the dollar has stabilized compared with May." Even though U.S. government bonds now give a smaller yield gain of 3½ percentage points over comparable Japanese securities from the 5 percentage points in May, the dollar has been trading steadily around 150 to 151 yen. In May it looked like it was faltering, at

But with substantial price gains less likely in bonds, Mr Okura and other Japanese investment advisers have been shopping in Wall Street, "We are looking at the U.S. stocks, compared with U.S. Treasuries," he said. "The market is very, very strong."

For the bond market, the fact that the trade figures showed a 5.8 percent monthly climb in imports but only a 1.6 percent rise See EUROBONDS, Page 9

Currency Rates

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Last Week's Markets

6-1-1				Money Rates		
Stock In				United States	Aug. 14	Aug. 7
United States	AU9, 14	Aug. 7		Discount rate	51/2	542
DJ Indus.	2485.43	2,572,00	+ 3.60 %	Federal funds rate	4 11/14	61/2
DJ UIII.	213.79	204.54		Prime rate	S344	81/4
DJ Trans.	1.101.16	1,082,65	+ 1.69 %	Jopan		
S & P 100	329.38	317.19	+ 3.84 %		21/2	21/2
5 & P 500	333.00	323.00		Discount	33/16	33/36
5 & P Ind	329.39	378.27		Coll money	354	354
NYSE CP	186.69	180.57	+ 322 %	3-month Interbonk	216	3716
				West Germany		_
<u>Britain</u>				Lombard	5	5
FTSE 100	2.295,14	2.726.20	+ 3.10 %	Call money	3.85	345
FT 30	785.20	1,726,90	+ 3,38 %	3-month Interbank	4.05	4.00
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As the Oil Dwindles, U.K. Economy Faces Stern Test

By Warren Getler

International Herald Tribune
LONDON --- In one of the harshest tests of its economic recovery, Britain is expected to revert to the status of a net oil importer by the early 1990s.

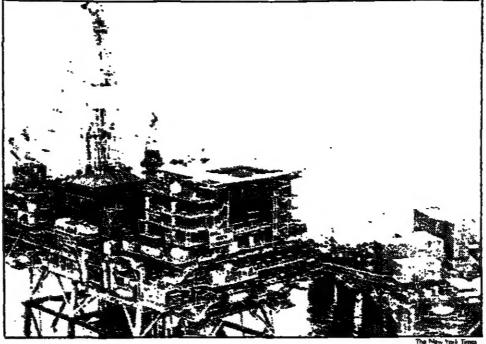
For the moment, government and industry officials are not taking an alarmist view of the steady decline anticipated in North Sea oil production over the next five years. But they are bracing for the

The prospect of relying on OPEC oil in the 1990s for some of Britain's energy needs is not viewed as a compromise of the nation's independence. Britain was a net importer until mid-1980. It is the speed at which the country may have to revert to that status that may create some The decline in output over the

next five years could significantly harm Britain's overall trade balance. It also raises questions about the soundness of the gov-ernment's budget, future oil company profits and the prospects for more than 40,000 Britons working in the North Sea oil industry.

The issue is not that Britain faces an imminent end to its supply of light Brent crude from the North Sea, where production be-gan in the mid-1970s. With close to 8 billion barrels of proven oil reserves remaining, Britain will produce crude well into the next century, according to industry es-

What does await Britain is a maintain the impetus for explora-tion and development," he said. long-term trough in production,



A British rig drilling for oil in the North Sea.

the result of the high costs of exploration and discovery in a well-exploited oil region. "The government's been aware

for a long time that North Sea oil operations than anywhere production will enter a gradual decline, beginning this year," said Roger Williams, a spokesman for Britain's Department of Energy. We are aware of the need to

"But it must be said that we have the most responsive oil tax regime in the world; oil companies probably pay less tax on their North

But John Smith, an economics spokesman for the Labor Party and a former oil minister, argues that the Conservative govern-ment of Prime Minister Margaret Thatcher has not moved quickly

enough in weaning the economy away from dependence on the North Sea's oil and gas riches. "North Sea oil has been a huge advantage to Mrs. Thatcher," he said, although "she has been slow

to acknowledge that." But "in the future, North Sea oil will be relatively less impor-tant," Mr. Smith said. "This is we need to build a stronger See OIL, Page 11

Manpower Inc. Rejects Bid by **Blue Arrow PLC**

CHICAGO - Manpower Inc., the world's largest temporary services company, has rejected a \$1.2 billion takeover bid by Britishbased Blue Arrow PLC.

However, Manpower did not rule out being acquired if a higher offer were presented, and said Sat-urday that it would seek to enhance its value for shareholders through acquisition of a large company.

Manpower's board unanimously rejected as inadequate Blue Arrow's \$75-a-share offer for each of its approximately 16 million common shares outstanding, according to a statement from Manpower's

beadquarters in Milwaukee. It said the board recommended that shareholders refuse the offer. On Friday, Manpower shares closed at \$74.75 on the New York Stock Exchange, dropping \$1.25 in anticipation of developments from

the directors' meeting. On Sanurday, the board also directed management to prepare a shareholder rights or similar plan designed to protect shareholders against an acquisition of the company at an inadequate price. Such plans are generally known as "poi-

to assure economic growth.

The 15 countries are Argentina.

In tune with Mr. Baker, William

national Economics argues that

while some new techniques may be called for to mobilize the flow of

money to debtors, the basic strate-

gy followed since 1982 is still the

right one, although he concedes that the "impressive" adjustments

made by debtor countries have of-

programs of widespread debt for-

giveness," as suggested by a bank-

er. Felix Rohatyn of Lazard Freres;

ten also been painful.

Bolivia, Brazil, Chile. Colombia,

which operates around 1,460 of-lices in 34 countries, half in the

United States. Launching the offer on Aug. 4. Blue Arrow said it would be financed through an £837 million (\$1.33 billion) 5-for-2 rights issue, twice the company's capitalization.

In an interview, Manpower's president, Mitchell Fromstein, said the company wanted "to develop the opportunity to acquire a company of substantial size for stock whose business is strategically related to ours; who will have a strong performance, track record; and who will have good current

"We have spent the past week speaking to a number of companies who fit that description," he said, without identifying the companies.

Mr. Fromstein said Manpower would "listen to companies interested in acquiring us at a higher price than that being offered," and would pursue the possibility of re-

The Manpower president trav-eled to London last week to seek new bidders for the company. Mr. Fromstein said Blue Arrow

Blue Arrow is the biggest em-ployment agency in Britain. But it er on July 14.

Banks Have Dug Out of Debt Crisis, but Developing World Is Still Mired

By Hobart Rowen

Washington Post Service
WASHINGTON — The conventional wisdom in U.S. banking circles, strongly supported by Trea-sury Secretary James A. Baker 3d, is that the Latin American debt problem is under control, and that there is little danger that it will trigger the kind of economic disas-

ter once thought possible.
"My view is that we're in considerably better shape than we were in August 1982," Mr. Baker said in an interview, "and that the principles that underlie the case-by-case ap-proach are still very valid, if you're going to solve the problem on the

"It's easy for anybody to say that we ought to solve the debt problem on the official side: That puts it on the taxpayers of the creditor countries," Mr. Baker said.

But has the crisis really been resolved? Richard Feinberg, vice president of the Overseas Development Council, said, "In terms of 1982 versus 1987, I'd say that the banks have dug out from under. But paradoxically, the borrowing countries are still mired in debt." der the strategy devised by Mr. and reserves, and the International Essentially, Mr. Baker wants to year period. In turn for more loans.

Fed Eases

Debt-Equity

Swap Rules

NEW YORK - In announcing

that it would permit U.S. banks to

acquire 100 percent of Third World

companies, the Federal Reserve

has provided an important mecha-

nounced Wednesday, lenders

banks to equity stakes of 20 per-

The banks hope that in getting equity in return for debt, they will

get dividends and appreciation of

the company's value or a higher price on the local stock exchange.

Fed's willingness to look at alterna-

now more than \$10.2 billion - by

billions of dollars in coming years.

One way to do that, Mr. Reed said

at the time, would be to take equity

The move last week "reflects the

reduce its Third World exposure - cheskaya Gazeta said Saturday.

sis, according to bankers.

their exposure of Third World loans relative to their total business, Mr. Feinberg said the banks had been gradually reducing their Third World exposure ratio. For the debtors, that means their ratio of loans to gross national product, their total output of goods and ser-

vices, has been declin

res, has been declining. "People who look at the problem from the banker's side tend to feel from the banker's side tend to feel that, "Well, you know, we're making gradual progress," said Mr. Feinberg. "And that's right: the banks have been making gradual progress. But people who look at it from the debtor-country point of view see unresolved problems."

Bezzil's declaration each in 1987

Brazil's declaration early in 1987 of a moratorium on paying the in-terest on \$68 billion it owes to commercial banks came as a shock. It destroyed the illusion that, somehow, things would right them selves. Economic growth in Brazil in 1985-86, hailed by some as evidence that the system was "working," has stalled.

Although commercial banks, un- banks have increased their capital problem

Zambia Announces Recovery Plan

Compiled by Our Staff From Disputche LUSAKA, Zambia - A 3.3 billion kwacha (\$412.5 million) eco-

nomic recovery program, replacing an abandoned International Monetary Fund plan, has been announced by the government.

The program is aimed at attaining economic growth of about 2.2 percent in Zambia by the end of next year. The government abandoned an IMF austerity program on May 1 in protest at its severity. The government said its plan was designed to curb inflation, which has been running at up to 50 percent, and rekindle growth by directing scarce foreign exchange into priority sectors. The program is sup-posed to gradually end access to free medical care and education, slim down the civil service and restrict consumption of imported goods.

"We must eat what we produce," President Kenneth Kaunda said
Saturday in a television broadcast launching the plan. He said foreign

exchange would be managed as a "strategic resource." Mr. Kaunda called for assistance from donor countries, the IMF and the World Bank in the new program. "The theme of this strategy is growth from our own resources," he said. "This does not mean, however, that Zambia no longer requires external assistance or

Monetary Fund, World Bank and stick with the strategy he outlined commercial banks "have demonstrated their support for debtor re-Nonetheless, Mr. Baker said, the form efforts to improve growth and Baker plan called for \$29 billion in international financial system is are working closely together to en-

"on sounder footing," because the sure continued progress on the debt and multilateral development

Senator Bill Bradley, a Democrat of New Jersey, and others in Con-Senator Bradley has contended for the past year that "piling new debt on top of old" only adds to the

Senator Bradley's plan is based on forgiveness of 3 percent of the

the "Baker 15" pledged to underprincipal and 3 percent of the intertake basic economic policy changes est per annum over three years.

Also showing concern about current developments is Michel Camdessus, the new managing di-rector of the International Mone-Ivory Coast. Mexico. Morocco. Peru, Uruguay, the Philippines, Ec-uador, Nigeria. Venezuela and Yutary Fund. He believes it will take longer to resolve the debt problem than was once believed and that efforts must be stepped up, espe-R. Cline of the Institute for Inter-cially in Africa, where the debt totals are less dramatic than in Latin America, but potential consequences are equally serious,

> Over the past five years, most of the 15 countries under the Baker plan have not been able to achieve sustained economic growth.

Ten of the largest ones now have a combined deficit of \$13 billion on Specifically, Mr. Cline rejects the current account, a broad measure idea that "the time has arrived for of trade performance.

The bottom line, as Mr. Feinberg sees it, is that there is now a "negative" flow of funds to the poor countries: The Third World is actually sending back around \$30 billion a year to the rich world, mostly

in interest payments. The optimists who side with Mr. Baker believe that a recent \$2 billion bank puckage for Argentina

See DEBT, Page 9

SAVE & PROSPER

FAR EASTERN FUND S.A.

NOTICE IS HEREBY GIVEN THAT:-1. The Directors have declared the payment of a dividend of US\$0.0054 per share in respect of the year ended 30th June 1987. In order to receive the dividend holders of bearer shares must submit Dividend Coupon No. 6 to the office of the Administrator, Save & Prosper (Jersey) Limited, PO Box 73, 45 La Motte Street, St Helier, Jersey, Channel Islands or to one of the designated agents of the Fund listed below:-

(a) The Bank of N T Butterfield & Son Limited. Hamilton.

(b) The Hongkong and Shanghai Banking Corporation, 99 Bishopsgate, London EC2P 2LA.

Payment of dividends against presentation or tender of dividend coupons will constitute absolute proof of the discharge by the Fund of its liability therefore.

2. A number of dividend payments represented by bearer shares have still not been claimed for the following distribu-

(a) First dividend paid in US dollars on 15th August 1984 in respect of the year ended 30th June 1984 US\$0.075 per share (submit Coupon No. 2 in order to

(b) Second dividend paid in US dollars on 15th August 1985 in respect of the year ended 30th June 1985 USSO.105 per share (submit Coupon No. 3 in order to

(c) Third dividend paid in US dollars on 15th August 1986 in respect of the year ended 30th June 1986 US\$0.057 per share (submit Coupon No. 4 in order to

3. Holders of bearer certificates are reminded that in order to claim for the sub-division of shares in the Fund by the issue of seven new shares for every one held as at 30th June 1987 they should return Dividend Coupon No. 5 from each certificate to the Fund's Administrator. Immediately on receipt thereof, bearer shareholders should claim the dividend for the year ended 30th June 1987 by returning

4. The Annual Ordinary Meeting of Shareholders will be held at Thirty Cedar Avenue, Hamilton, Bermuda on 4th September 1987 at 12 noon for the following purposes:

Dividend Coupon No. 6 from each certificate to the Fund's

(a) To receive the Report of the Directors and the Financial Statements for the year ended 30th June 1987. (b) To appoint auditors at a rate of remuneration to be

decided by the Directors. (c) To fix the number of and to elect Directors.

(d) To determine the remuneration of the Directors.

(e) To transact any other business of an Annual Ordinary Meeting of Shareholders.

By Order of the Board J D CAMPBELL



How to Refill a Loan-Loss Cushion

By Eric N. Berg New York Times Service

NEW YORK - Now that the major U.S. banks have used up most of their cushion against loan losses to account for problem Latin American loans, how are they going to rebuild it?

That has become a central question in banking

circles in the aftermath of the decision by the banks last quarter to build their reserves for loan losses to account for problem Latin American loans. The buildup in the reserves resulted in an aggregate second-quarter loss for the 15 largest banks of \$10.8 billion, the largest industry loss since the Depression.

nism for dealing with the debt cri-In terms of return on assets, a key measure of bank But bankers noted that the ecoprofitability, the banks lost an average of \$4,14 for every \$100 invested in the business. nomic environment in the Third World was still bostile for invest-The addition to reserves came from the banks' shareholders' equity, their cushion against loan losses that is the excess of assets over liabilities. For some ment, and that banks would be unwilling to exchange billions of dol-

lars of their loans for shares in local banks - notably, Bank of America, Manufacturers Hanover Trust Co. and Citibank — the reserve build-Others noted that there still were ups reduced common shareholders' equity relative to assets to less than 3 percent. In the past, the percentrestrictions on foreign investments in that sector and added that in any age for big money-center banks has been 5 or more. So just about all banking experts agree that the level case, banks might not want to own 100 percent of nonfinancial comof equity in the banking system has become uncompanies because they had little exfortably thin, if only because further reserve buildups, pertise in operating them.
But the bankers said that after

to account for additional Latin loan problems, may follow. Two schools of thought have emerged to de the Fed's decision, which was an- scribe what the banks will likely do about all this. One school says that the banks, under pressure from

stock prices high so as not to give out too much stock and thereby dilute existing investors holdings. That will force the banks to work doubly hard to produce higher third- and fourth-quarter profits. "Their third-quarter performance will be critical

because they will all be going to the market," said Thomas Steiner, a partner in the banking practice at McKinsey & Co., the management consultants. The other school of thought says the banks will not need to sell stock, at least not this year. According to this line of reasoning, the banks' emphasis will instead

be on rethinking their overall plans to eliminate losing businesses and strengthen money-making ones. "There is going to be a lot less spending for the future and a lot fewer 'strategic' acquisitions," said Stephen Berman, an analyst at County Securities.

But despite the short-term pain that the reserve buildups are causing the banks, there is a consensus that the move was beneficial. The most immediate effect was a big jump in the banks' stock prices, which had not budged for months.

And, bank experts say, now that the banks have

taken their earnings hits, they are in a position to take even bolder action on the debt, including selling their loans at a loss in the secondary market or offering debtor countries forgiveness of principal. But in any case, the second quarter was mediocre

for the major U.S. banks. Largely because Ecuador. which has suffered a serious earthquake, and Brazil, which has experienced a big drop-off in foreign exwould begin swapping more of regulators, will be forced to sell stock before the end of their debt for equity. The Fed's this year, if not in the current quarter. According to the Regulation K had limited the this line of thinking, the banks will have to keep their in their nonperforming assets over a year ago. change, are still not paying interest on their borrowings, many of the banks reported a significant increase

The quality coursel plan does broader than that used in the West.

An acceleration of debt-equity swaps would reduce the interest burden in developing countries. Soviet Says Growth in Industrial Output Slows less of quality, were included in treat this index with caution as the official calculations of output. Soviet definition of productivity is

MOSCOW - Soviet industrial production is growing at a slower pace than last year, partly because of strict controls introduced to improve the quality of products, ac-

cording to official data. hes to the Latin debt tive approaches to the Latin debt crisis," said Richard Keller, a se-Industrial output grew by 3.5 percent from January to July against the corresponding period of nior vice president at Security Pa-1986, below the 5.4 percent rise 1986, below the 5.4 percent rise contracts in the first seven months recorded in the first seven months of 1987, the official figures showed. Citicorp's chairman, John S. Reed, has said the bank hopes to of last year, the weekly Ekonomi-

> The magazine said figures from the State Committee for Statistics showed that machine-building and light industry turned in the worst performances, with output rising only 1.6 percent and 0.4 percent.

in lieu of principal payments.

Bankers Trust New York Corp.
said Thursday that further liberal-Machine-building, the focus of a ization of Regulation K was necessary. Among other restrictions, the drive by the Soviet leader, Mikhail Fed ruling said that banks must sell S. Gorbachev, to modernize the their investments within five years economy, falls under a new plan of acquiring them, and the compa- that allows inspectors to reject nics being acquired must be in the goods if they consider them below process of convering to private standard, ownership from public.

Only 72 percent of industrial en-(398.2 million short tons) from January to July. 2 percent above the terprises fully met their delivery 354 million tons a year earlier.

output by 2.5 percent from January

Labor productivity rose by 3.6 percent against the like period of 1986, below the 5 percent recorded in January to July last year, However, Western economists

House of Beef

SELECTED H.S.A./O.T.C. INIOTATIONS 21/2 Alan Jones Pit Stop Bitter Corp. 1% 241/4 243/4 Chiron GoodWork Foods 17% 17% 41/2 MAG Holdings 414 314 NAV-AIR 44% 45 pectrodyne

Soviet definition of productivity is

Production of oil, the main earn-

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reached 362 million metric tons

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FIXED-COUPON	1			4		
DFC Finance Overseas	\$132	-1992	81/2	100	· -·	Coupon payable in New Zealand delicas, Redemption materity will be 65% in U.S. dollars and 35% in NZ dollars
Nordic Investment Bank	\$100	1991	8% 1	00 1/16	99.51	minimum, exercisoble on Morch 29, 1991 poly, into 8%
Den Norske Creditbank	DK 300	1994	1014	99%	_	noise due 1996. Fines 136%. Nancollable. Fines 136%.
Elisportfir _i ans	DK 250	1992	1064	10774		
Svenska Handelsbanken	DK 350	1992	10%	101%	99.38	Noncolloble, Free 1975. Noncolloble, Adelhional DK350 million available for a 2- tigs, Fees 1975.
Bayernhypo Finance	C\$ 65	1992	10%	101%	99.50	
Berliner Bonk	C\$ 75	-1991	10%	101.30	99.80	Noncolloble, Fate 18%.
BHF Bank Finance	C\$ 60	1992	1034	10136	99.63	Norceliable, Fees 1966,
GMAC Canada	C\$ 100	1992	10%	101%		Noncolicia. Fees 1866.
Banque Générale du Luxembourg	Aus 50	1990	13%	101%		Noncoliable. Fees 19/%. Noncoliable. Fees 19/%.
Barciays Australia Finance	Aus\$ 50	1991	14	101%	100,70	Noncofiable, Fees 196%.
BNP Pacific	Aus 50	1990	. 14	101.20	100 50	Noncollable. Fee: 195%.
WestLB Finance	Aus 50	1990	13%	10114		Noncollable, Fees 1976,
BP Capital	NZ\$ 60	1990	17	10134		Noncoloble. Fee: 1995.
Commonwealth Bank of Australia	NZ\$ 50	1990	171/4	1011/2		Nencallable. Fors 116%.
EQUITY-LINKED						
Asahi Glass	\$200	1992	open	100	99.00	Coupon indicated at 3%. Noncollable. Each \$5,000 note with a consumer of susceptible into company's shares at an expert at 27% premions. Feas 28%. Yarns to be set Aug. 24.
Furukawa Electric	\$150	1992	314	100	103.00	Noncollable. Each \$5,000 note with one warrant exercisal into company's shares or 762 yen per share and or 152.1 yen per dollar. Fees 24%.
Sumitomo Construction	\$ 50	1992	3	100		Noncollable. Each \$5,000 note with one warrant exercises into company's shares at 656 year per share and at 152, year per dollar. Fees 24%.
Taisho Marine & Fire Insurance	\$200	1992	open	100	98.50	
Takeda Chemical Industries	\$ 80	1994	41/2	100	99.00	Noncellable, Each \$5,000 note with one worrest exercises into company's shares at 3,360 yes per share and at 152. yes per dollar. Fees 24%.
Yasuda Trust & Banking	\$100	2002	open	-100	99.75	Coupon indicated at 116%. Convertible at an expected 5 premium, Fees 28/26. Terms to be set Aug. 20.
Deutsche Bank Finance	DM 750	1993	5 · ·	125	·—.	Noncollable. Each 5,000-mark note with 2 warrants exercible until Dec. 1992, into a total of 9 Deutsche Bank A shares at 680 marks south, a 4% discount. Fees 214%.
Associated Newspapers Holdings	€ 50	2002	6	100	. —	Conventible of \$11.20 per share, a 25.56% premium, into shares of Reuters Holdings PLC. Fees 24%.
Grand Metropolitan	£ 100	2002	614	100.	100.50	Collable of 101 in 1992. Convenible of 675 pence per share

EUROBONDS: Market Takes Trade Deficit in Stride

figures, he said, "were just plain bad across the board," and indicate

the difficulty in improving the trade balance with the dollar's cur-

rent exchange rates and the strong

Referring to the poor trade fig-ures, a weaker dollar and strong

industrial production, he said:

Robert Brusca of

Nikko Securities,

pointing to a

jump in U.S.

industrial outpu

suggested that a

trade correction

"It's hard to see on a fundamental

basis that that's good for the bond

Mr. Lipsky, like other econo-

mists questioned, said that the

modest 0.2 percent rise in July U.S.

wholesale prices announced Friday

indicated that inflation remained

under control. The gain matched

the June increase and was below

unlikely to last. Mr. Lipsky predict-

5.5 percent on an annual basis by

the end of the year, compared with

The trade and production fig-

But he said that the trend was

May's 0.3 percent rise.

ers Inc., is one of them. The trade cern in several countries over infla-

is under way.

market."

some bond market economists, ed consumer price increases of 5 to

industrial production figure con- an annual rate of 4.3 percent in

John Lipsky, of Salomon Broth- ures, and evidence of renewed con-

domestic demand for imports.

BUSINESS ROUNDUP

Harcourt Restructuring **Brings \$70 Million Loss**

The Associated Press

ن در استان در به مدارد کرده که سیناده بهت به این در در در این به در میشود که **دو توانده و در در در در در در در**

NEW YORK - The U.S. publisher Harcourt Brace Jovanovich Inc. has reported a second-quarter June that it would recapitalize, pay net loss of \$70.8 million, largely because of costs associated with a \$3 billion restructuring that thwarted a hostile takeover.

The loss in the three months ended June 30 compared with earnings out." In its aggressive effort to reof \$10.91 million, or 31 cents a share, in the year-earlier period, the also said it would undertake a far-

30, Harcourt posted a loss of \$98.5 ities and wage freezes.

British Printing & Communica-tions Corp., which is controlled by Robert Maxwell, Harcourt said in out about \$1.67 billion in cash dividends to shareholders and assume \$1.3 billion in new debt.

Harcourt's chairman, William lovanovich assailed Mr Maxwell's takeover attempt as "prepostermain independent, the company company said Friday. Revenue reaching austerity program that includes asset sales, staff reductions. For the six months ended June cancellation of philanthropic activ-

\$740 million, up 35 percent. the Harcourt plan was illegal.
Faced with an unfriendly bid by Figured into the results released



Friday were \$98.9 million for expenses related to the plan and an 511.2 million charge for the purchase and retirement of deben-

Harcourt, based in Orlando, million, compared with earnings of S3.45 million, or 10 cents a share, in last month of the Florida, is one of the world's largest the first half of 1986. Revenue was soft at last month by British Printing that other educational materials. It also S740 million up 35 seconds. owns and manages theme parks and insurance companies.

Mellon Bank Executive Gets His Wish

And Is Laid Off in Cost-Cutting Drive

PITTSBURGH - A Mellon Bank vice president who recommend-

ed elimination of his job to help cut costs at the troubled bank has been laid off, according to bank officials.

Dennis C. Eisenreich left his job last Wednesday, said Sandra

McLaughlin, a spokeswoman. He had worked for the bank for 11

Mr. Eisenreich suggested that his job be eliminated after Mellon's new chairman, Frank V. Cahouet, asked department heads to suggest

ways to reduce payroll expenses. Last week, Mr. Cahouet said the

bank planned to eliminate 1,800 to 2,000 jobs in an effort to restore

profitability. Mellon posted a first-half loss of \$626 million this year.

Eisenreich said that he had recommended "the elimination of my job.
Considering the cuts required my limited management responsibili-

Considering the cuts required, my limited management responsibil-ities ... and my own uneasiness, I feel the logical place to begin

In a memo to his department's employees earlier this month, Mr.

years, most recently as head of its small business division.

GM and Chrysler Incentives

William Jovanovich

Will Apply to Pickup Trucks DETROIT - General Motors and Dakota S mid-size trucks. Buy-Corp. has expanded its buyer in- ers can opt instead for a \$1,000

pact pickup trucks, a move rebate on the Dakota S. matched by Chrysler Corp.

GM announced Aug. 5 a pro-gram of incentives including 1.9 the year-ago period to 41,959. percent financing or rebates of up to \$2,000 on about 90 percent of its passenger cars. Ford followed with car incentives the next day and Chrysler a day later.

GM's announcement Friday adds the Chevrolet S-10 and GMC S-15 pickups and Chevrolet Blazer and GMC Jimmy sport-utility vehicles to its program. Rebates on the trucks range from \$500 to \$1,000.

Chrysler said it was responding get a \$500 rebate — the only offer with a 1.9 percent rate for 24 of both rebates and low loan rates.

month loans on its Dodge Dakota

centive program to include com- rebate on the Dakota and a \$500 From Aug. 1 to Aug. 10, GM's truck sales leaped 50.4 percent over

> But a spokesman, Harold Jackson, said that the largest U.S. automaker decided to add the trucks to the incentive program because "this is a very highly competitive market and we are anxious to move

these models." Also Friday. Chrysler's American Motors Corp. subsidiary announced interest-free financing on 24-month loans in addition to rebates on its Renault Alliance, Encore and GTA models. All buyers

Sony Considers Shifting 25% Of Production Out of Japan

MANAMA, Bahrain - Sony Corp. is considering moving 25 per-

cent of its production capacity out of Japan to address the financial problems posed by appreciation of the Japanese yen, its president, Norio Ogha, said Saturday.

Sony's net profit fell to 13.26 billion yen (\$88.3 million at current rates) in the period from Nov. 1, 1986, to March 31, 1987, from 30.13 billion yen in the year-earlier period. The decline was attributed to the surging yen, which made Sony products more expensive outside Japan, and severe competition, which cut the company's market share.

Ogha, who was in Bahrain for a values Lamaur at \$144 million. company marketing conference,

The Sony executive said that besignificantly two years ago against other currencies, especially the U.S. dollar, the company was producing only 10 percent of its output outside Japan. He said some production would be shifted to South-

east Asia, the United States and European countries.

He added that in the second half of Sony's fiscal year 1987-88, which ends March 31, the company would start to record positive results. But he declined to make a financial

Sony executives said sales in the Middle East were picking up after a drop of 10 percent in the first half of calendar 1987.

Lamaur Rejects Bid From Alberto-Culver

United Press Internation MINNEAPOLIS - Lamaur We are moving 25 percent of Inc. a maker of hair-care products, our production outside Japan, but has rejected a sweetened takeover this is not finalized," said Mr. bid from Alberto-Culver Co. that

Lamaur's board said Friday that the proposal was not adequate nor fore the yen began to appreciate in the best interest of shareholders. Alberto-Culver, which on July 27 offered \$22 per share in cash for Lamaur's shares, raised its offer last Monday to \$24 per share. Alberto-Culver already owns 7 percent of Lamaur's 6 million shares.

Mesa-Led Group Seeks Talks With Newmont Mining

Compiled by Our Staff From Dupatches WASHINGTON - Ivanhoe Partners, an investment group that has said it may seek control of Newmont Mining Corp., said it wants to meet with Newmont's management and Consolidated Goldfields PLC, which holds 26

In a filing Thursday with the Securities and Exchange Commission, the investment group, which is led by Mesa Limited Partnership, said it had acquired 9.1 percent of Newmont for \$379 million.

A letter from the partnership to Newmont's chairman, Gordon Parker, said, "We would welcome the opportunity to meet with you to Saudi Investment Bank's Profit Rises discuss alternatives for advancing the objectives of all parties."

A similar letter was sent to London-based Consolidated Goldfields. Both letters were signed by T. Boone Pickens, the Texas oilman who heads Mesa. Mesa holds a 45 percent interest in Ivanhoe Partpers. The remaining interests are held by affiliates of NRM Energy Co., Harbert Corp. and Galactic were improved by a reduction in clude Chase Market Resources Ltd. (Reuters, NYT) operating expenses and the success Commerzbank.

RIYADH - Profit nearly quadrupled at Saudi Investment Bank in the first half of 1987, to 4.39 million riyals (\$1.17 million), the bank said Sunday.

Net profit had been 1.11 million riyals in the first half of 1986.

cutting is at the top."

of a special credit unit in tackling

the bank's problem loans. Saudi Investment Bank set loanloss provisions of 20 million riyals, unchanged from the year-earlier period.

Saudi Investment Bank is one of yals in the first half of 1986. nine joint-venture banks in Saudi.
The bank said the 1987 results. Arabia, Its foreign shareholders inwere improved by a reduction in clude Chase Manhattan Bank and

London Stock Snarl-Up: Good News for the Back-Room Boys

By Steve Lohr

New York Times Service LONDON - In the social pecking order of the London securities industry, the back-office workers have always been the proletariat, several rungs below the salesmen and traders of the front office in status and salary. The flamboyant dealers had the Porsche cars. Chelsea apartments and six-figure salaries, while the denizens of the back office had pub lunches and long commutes. Yet the standing and pay of the once-lowly "back-room boys" are soaring as a belated by-product of London's Big

Bang deregulation last year. Since the London markets opened up, stock trading volume has nearly tripled, creating a huge snart-up in the industry's back offices, where buy and sell orders must be

matched up, invoiced and settled. By now, the backlog of unsettled trades has snowballed

year ago.

The delays, costs and risks of the logiam have prompted increasing concern from industry executives and stock exchange officials who warn that the problem could push some securities houses into bankruptcy, especially if the buoyant London market falls sharply.

And because back-office problems increase dealing costs for investors, it could undermine the Thatcher government's drive to broaden stock ownership and make Britain a "shareholding democracy."

Some securities executives are quietly urging the gov

eroment to delay the sale of its 31.7 percent stake in British Petroleum Co., slated for this fall, for fear that it will dangerously increase the settlement backlog.

London's troubles are similar to the settlement difficul-

ties Wall Street went through in the late 1960s, when beleaguered back offices got so far behind that the market was shut down every Wednesday for months to catch up. But Wall Street soon adopted automated methods to



Employees at the London Stock Exchange.

operations. For London, the settlement snarl comes at a bad time, just as it is striving to persuade investors worldwide that it is the most efficient center for international share trading.

"Firms have come to recognize that the money made in the front office can be lost in the back office," said William Dyson, director of administration for Phillips &

Drew, a London brokerage.

Back-office workers now find themselves being courted by headhunters bearing lucrative salary offers and "gold-

en handcuffs," special payments to get them to stay at a particular company.

The head of settlements for the brokerage arm of a major British bank said he had been called by recruiters eight times in the past three weeks, offering to more than

double his salary to roughly \$200,000 a year. "The back office is certainly where the demand is now," said Clive Blomfield-Smith, managing director of Directry. "The front office has always had all the glamour and ne rewards, but that is changing."

The going rate for back office staff has doubled in just

over a year, according to industry officials. in the approach to deregulation last October, the emphasis in hiring and spending on systems was in the sales and trading operations. To some degree, that made sense because those areas are the ones that generate revenue. Besides, the huge jump in turnover that created the prob-

lem was a surprise to most dealers. Settlement problems were aggravated by huge stock sales, including the privatization of British Gas and Britsin's biggest private share offering, that of Trustee Savings Bank, which created millions of small shareholders.

At Phillips & Drew, like most London securities houses, 60-hour work weeks have become routine for the backoffice staff. In addition, it has increased its equity-settle-0 percent to more than 150 year. And Phillips & Drew is looking to hire more people. But experienced people are in short supply. Like most

of his peers, Mr. Dyson blames "a system of physical delivery that is totally archaic in this day and age." Brokers and dealers point to several bottlenecks, but the practice of physically delivering share certificates and other paper forms is the main culprit. Buyers, sellers, brokers, market-makers, registrars and the stock exchange all handle certificates and forms to process a transaction.

The stock exchange has set Aug. 28 as the deadline for member firms to settle large transactions outstanding. After that date, the exchange said it will fine firms for transactions worth more than £100,000 (\$159,000) that

have been outstanding for more than four weeks. Meanwhile, the stock exchange is working on a computer system, called Taurus, an electronic book-entry system that will replace written proof of registration. But it will not be ready until 1989 and, stock exchange officials say, requires a change in British company law to be used.

DEBT: Banks Dig Out, but Third World Is Still Mired

(Continued from first finance page) belies the contention that the banks are pulling out. They believe a similar new package will be fashioned for Brazil, and that a new "menu" approach modifying the Baker plan will proliferate.

(Continued from first finance page)

in exports is also open to interpre-

tation, economists say. One con-tention involves the dollar, which

fell Friday because the trade deficit

reflects both a growing supply of dollars abroad and the need for

further falls in the currency to im-

a lower dollar would help exports

but would boost import prices and

thus cause inflation. It also would

discourage foreign buying of U.S.

Treasuries, demand that is neces-

sary if the government is going to fund its massive budget deficit

deficit will produce an economic.

slowdown, with little danger of the

inflation that bond investors

loathe, because exporters and pro-

ducers for the domestic U.S. mar-

ket will have to curtail expansion

and even reduce operations.

With the major central banks of

industrialized democracies pl-dged

to keep exchange rates stable, some

bond dealers said that this second

interpretation appeared to gain converts late Friday. Another U.S.

indicator released Friday. July in-

dustrial production, added a fur-

This figure showed a higher-

than-expected 0.8 percent jump,

following gains of 0.4 percent in June and 0.7 percent in May. For

who believe that such strong growth will also boost inflation, the

firmed the gloomy market assess-

ment based on the trade data.

ther dimension to the argument.

without driving up interest rates.

Some economists emphasize that

prove the trade balance...

This approach allows the commercial banks to shift some of their outright loans into debt-equity swaps, or "exit bonds," or any number of other new formulas that will keep bank investment growing in the Third World. Critics of the Baker strategy are

iskeptical that the "menu" options, themselves, will be enough. They argue that the banks are retreating from their major financing role in the developing world.

Instead, they think that the World Bank, the IMF and other development banks must bear an increasing share of the burden of lending to the Third World. The unspoken implication of

that is precisely what Mr. Baker fears: If the private sector withdraws, governments, and thus ultimately taxpayers, will bear an increasing share of the burden of Third World lending.

Under current policy, if no hanges are made, the IMF will be a recipient of large net repayments this year and next from the Latin debtors, including \$2.1 billion from Brazil alone, according to Rimmer de Vries of Morgan Guaranty Bank

almost \$2 billion a year from Africa, which in effect is recycled to the the World Bank.

So something new is likely to shape up for Africa, with the IMF

The World Bank boosted its loans to the major Latin American borrowers by \$1 billion last year, but in the view of many, it should do more.

Mr. De Vries said that both the IMF and the World Bank should be able to jump into the void left by the commercial banks. The IMF not only has available a reflow of money from older loans, but can tap Japan's wealth, that country having offered to lend the IMF large sums out of its current acount surplus.

Japan is also making funds availothers, and make it attractive for count surplus.

able to debtors through its own commercial lenders."

Export-Import Bank, and through

Those who have two the World Bank and the bank's concessional affiliate, the International Development Agency.

emergency, short-term fixes to the serves for Third World debt. concept that regenerating economic growth in key debtor countries was at the heart of the problem.

It also displayed an understandthrough the World Bank and IMF, or will not be paid off at all.

But whether the plan will be

The IMF also will be receiving enough over the next lew years continues to be a subject of debate. What seems clear is that the commercial banks, regardless of what they say publicly, are fed up with

tion, suggest that the top central banks may need to shift their em-

phasis away from currency stability and begin thinking again about rightening monetary policy.

said, however, that he was largely disregarding the trade numbers be-

cause they were not adjusted for seasonal variations and do not re-

flect more current developments.

"I think we should assume that the

correction is going on in trade," he said. He pointed to the higher in-

dustrial production figures as evi-

With the moderate rise in whole-

sale prices, "The inflation news is

really very good, and I think that's what the bond market's looking

at," he said, U.S. industry capacity

should be able to absorb fresh de-

mand, he added. "I don't think we

have a homegrown variety of infla-

Coupled with the poor perfor-mance of a Tokyo bond market

ittery over inflation, he said, these

igures create "a great environment

for bonds" in the short term. He

predicted that the yield of the 30-year bond could fall to 8½ percent

within two weeks, near the mid-

As for upcoming Eurobond of-

ferings, syndication managers said that Belgium was expected to raise

as much as \$400 million with a five-

year bond priced about 50 to 55

basis points over an equivalent

tion right now."

July level

Mr. Brusca of Nikko Securities

Horst Schulmann, director of the Institute of International Finance Inc., the official Washington lobby for big bankers, indicates that his clients are gun-shy from rollovers, reschedulings and actual losses.

Now, they want to pick their spots for new loans. "What we are saying is that if conditions are right, if there are sound projects, there is a lot of money in international capital markets that can be mobilized," Mr. Schulmann said in an interview. "But the developing countries

Those who have trouble reading between those lines have only to consider the action by Citibank and other banks earlier this year in The Baker plan moved from setting aside large loan-loss re-

The logical explanation is that major banks have finally faced the reality: Many of their Third World loans carried at full value are worth ing that the big industrial nations, only a fraction of the original debt,

torship Appointments, a recruiter for the securities indus-

U.S. Treasury issue. A major U.S. corporation is also BEIRUT: Leaders Fear Revolt if Subsidies Are Halted London Futures Exchange Suspends 9

(Continued from Page 1) lion, a record low. Subsidies for

likely to tap the market for \$200 million to \$250 million, paying 30 to 40 basis points over Treasuries depending upon whether the matugasoline and wheat imports are costing the Treasury about \$50 miltion annually. The meager foreign exchange holdings are a major hindrance to

the central bank as it seeks to influence the free foreign exchange mar-ket in Beirut. The Lebanese pound traded last week at about 225 pounds to the U.S. dollar, compared with 14 pounds in 1985.

The country has considered such drastic measures as selling onefifth of its gold reserves to prop up the ailing currency.

The pound has lost 80 percent of its purchasing power over the past two years. The lack of resources and buying power has made life even more difficult for the Lebanese, whose energy has already been drained by long civil strife. Workers take time out from their jobs to wait in long lines for gaso-

line for their cars. Homemaken spend hours at bakeries in hopes of is no consensus on how to attack rying bread for their families. the economic problems. The pro-most Lebanese economists and posal by Salim al-Hoss, the acting buying bread for their families. experts from the International prime minister, to sell one-fifth of Monetary Fund say that discontinuing subsidies is the only way to

halt the drain on the Treasury. Mr. Naim, the central bank governor, met IMF officials in Cyprus earlier this month.

voke a revolt. The national labor mediately plummet an additional confederation, with 300,000 mem- 20 percent if one-fifth of the gold bers, has threatened to call an in-reserves were sold. lifted.

ing that consumer prices rose by 129 percent in July alone.

other Christian leaders, noting that maining confidence in the currency the government has not been meeting for the past 18 months, say that tion of the gold were sold. the economic crisis can only be attributed to political strife.

Moslem officials still refuse to meet under President Gemayel and hold him responsible for failure of efforts to reform the Lebanese political system. The Lebanese Front, an alliance

of Lebanon's main Christian political groups, militias and prominent figures, demanded last week that a new cabinet be formed to deal with he country's economic dilemma. Prime Minister Rashid Karami, a Moslem, was assassinated June 1

in a bomb explosion aboard a milifrom northern Lebanon to Beirut Finance Minister Camille Chamoun died Aug. 7 of heart failure. Amid the political disunity, there

ceeds to stabilize the pound ran into immediate opposition from Christians last week. Joseph al-Hashem, the acting finance minister and a close adviser Politicians, however, are afraid to Mr. Gemayel, said that the value that ending subsidies would pro- of the Lebanese pound would im-

the gold reserves and use the pro-

definite strike if the subsidies are Lebanon holds 9.2 million ounces of gold valued at \$4 billion The labor alliance is also de- at current international rates. Mr. continuing flow of money to the banks will resist new loans, whatever their proforms support for the commercial banks will resist new loans, whatever their proforms support for the commercial banks will resist new loans, whatever their proforms support for the commercial banks will resist new loans, whatever their proforms support for the commercial banks will resist new loans, whatever their proforms support for the commercial banks will resist new loans, whatever their proforms support for the commercial banks will resist new loans, whatever their proforms support for the commercial banks will resist new loans. ation has released statistics indicat- market for \$800 million.

would be shaken if any even a frac-

adopted a resolution prohibiting any dealing in the gold reserves without approval of the majority of periods of up to a year. legislators Mr. Hoss, who is Moslem and

who holds a doctorate in economics from the University of Indiana. argues that the Lebanese currency is intrinsically solid because of the size of the country's gold reserves. In addition to the \$800 million

that could be used by the central bank to intervene in the foreign exchange market, he said, the Lebanese Treasury could earn \$60 miltary helicopter as he was flying lion a year in interest from the sale. Catchpole and five other traders lations.

The gold constitutes 84 percent of the backing for the Lebanese pound. There is fear that any re-

change, after an investigation of The Lebanese parliament has apparent rule violations, said it had fined five member firms and barred nine individuals from trading for

The heaviest fine, £25.000 (\$39,730) was imposed on Cargill Investor Services Ltd., the British exchange said Friday.

The firm's former floor manager

at the exchange. Keith Catchpole, was suspended from trading for a year. Another former Cargill em- other Jordoniss trader. ployee, Julian Shelbourne, was fined \$2,500 and suspended for a month.

LONDON — The London In-ternational Financial Futures Ex-trades between July 1985 and January 1986. Cargill Investor Services said in a

statement that it did not benefit from or condone the activities of Mr. Caschpole and Mr. Shelbourne. But the firm said it accepted the findings of the inquiry. Among the other penalties was a

brokerage arm of Cargill Inc., the £20,000 fine on the futures firm Jordoniss Ltd.; a six-month suspension for a trader of the firm, Barry Heath; and a four-month suspension for Terry Crawley, an-

The chief executive of the exchange, Michael Jenkins, said that clients of exchange members had The exchange said that Mr. not been damaged by the rules vio-

INTERNATIONAL POSITIONS You will find below a listing of job positions published last Thursday under the rubric International Positions.

rest morsally		orregioner i derions.
TITLE	SALARY	EMPLOYER
HORSE TRAINER		The Department of Civil Servents Affairs of Finance & Petroleum, State of Qutar.
TREASURY MANAGEMENT	£200,000+ bonus & benefits	Price Waterhouse.
COMMERCIAL DIRECTOR	£35,000+ car + benefits	PA Personnel Services.
INT'L MARKETING		Hoggett Bowers.

If you haven't seen lost week's INTERNATIONAL POSITIONS rubric, please ask for a free copy: Max Ferrero, INTERNATIONAL HERALD TRIBUNE, 92521 Neuilly Codex, France. Tel: (1) 46.37.93.81. Telex: 613595

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OIL: As Production in the North Sea Declines, Britain Will Face a Severe Test of Its Economic Recovery

(Continued from first finance page)
manufacturing economy, one that decline in U.K. production."

"On the other hand, if the price count and trade balance deficits."

"On the other hand, if the price of smaller fields will be developed.

"He said that for the current use."

"On the other hand, if the price of smaller fields will be developed.

"The lalving of the cil surplus to exceed in value terms of smaller fields will be developed.

"The lalving of the cil surplus to export performance, yielding a current-account deficit of £1 billion. The halving of the cil surplus to export more crude in value terms of smaller fields will be developed.

The Conservative government as treatment of surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus than it has had to buy from foreign of the cil surplus the control of the cil surplus than it has had to buy from foreign of the cil surplus the control of the cil surplus than it has had to buy from foreign of the cil surplus the control of the cil surplus the cil surplus the cil surpl the British Treasury expects a £8 billion (\$12.7 billion) deficit in

Capel & Co., said that North Sea production is expected to decline from current levels of 2.66 million barrels a day to about 1.7 million barrels a day in the early 1990s.

that may not be enough. Beginning in the 1990s, Britain may be forced to expand its imports of crude from

Sandi Arabia, Iran, and Kuwait.

With the inevitable decline in chael Unsworth, an on analyse with the cost-effectiveness of oil ex
North Sea production, we will have the brokerage Smith New Court Sea already is limited. The prospects for exploration are expected to become increasingly dependent to add to our production base in FLC.

Indeed, in 1984-85, the contribution of revenue from North Sea oil the said that "a large number of maintained a surplus in Britain's measures. to become increasingly dependent on a sharp rise in oil prices.

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ing oil, including cheaper oil-rig

Oil companies that have yet to The forecast decline in output raises questions about the trade explore beyond the North Sea are scanning new horizons.

With projections of demand Britoil PLC, an independent oil and gas producer with nearly all its David Walker, chief executive of production based in the North Sea, cessfully the economy can replace a have a huge current-account deficit trade balance and to government said that the company was "search—steady decline in oil exports with or more than £2 billion for the first revenue.

ing very actively.

manufacturing exports, "said Miwith the inevitable decline in chael Unsworth, an oil analyst with

economist with James Capel.

opportunities" for commercial de-velopment remained in the North trade in merchandise and services, Barring any sharp decline in velopment remained in the North trade in merchandise and servace, prices, British oil production is exSea at current prices of \$15 to \$20 a and masked a stark deterioration in manufacturing trade.

"On the other hand, if the price rises and stays above \$20, a mamber of smaller fields will be developed, which will reduce the rate of decline of oil production," he said.

Since 1980, Britain has managed billion.

The halving of the oil surplus according to industry estimates.

The halving of the oil surplus resulted almost entirely from a plunge in oil prices to levels of the nation's trade balance appear about \$10 for much of 1986. Production declined just 8 percent.

manufacturing trade, compared with a £5 billion surplus in 1979.

Other factors that could hold off nearuner man it would not nearune man it would not nearuner man it would not nearune man it would not near man it would n more efficient methods of extract. 'shead for Britain will be how suc- six months this year, we would oil's contribution to the nation's

balance, the government's budget, oil company profits and prospects

lion surplus in its current account

for the first half.

"If you suddenly took away the encourage nonoil manufacturing

for 40,000 Britons working in the North Sea oil industry.

Oil's contribution to tax revenue dropped to about 3 percent in the Britain posted a small £37 milabout 9 percent in fiscal 1985.

In fiscal 1986, the government Despite a plunge in Britain's oil was faced with an oil-revenue trade surplus to £4.2 billion last crunch years ahead of its own proyear, the country posted a currentjections because of a sharp fall in account deficit of £120 million, prices.

report a budget deficit for the fiscal year that was more than £3 billion

below original estimates.

"The government is largely making up for the decline in oil revenues through its privatization program," said Mr. Smith of the Labor Party, referring to the government's sales of profitable stateowned enterprise to the private sector through share offerings. "But production is foreign-controlled, that is a short-term expedient."

For many in the City, London's financial district, there are signs that Britain has had some success in adjusting to the oil sector's decline in strength.

the trade balance down last year by £4 billion, we certainly didn't see a movement in the oil price." £4 billion increase in the current

in an attempt to soften the impact of the projected decline in North Sea oil production, the government recently approved legislation providing tax relief to companies that maintain interests in regional oil and gas development projects.

The government granted new tax concessions allowing companies to apply 10 percent of capital expenditure on new North Sea field developments against the tax liabil-

ities of existing fields. But companies operating in the North Sea, where 65 percent of say that the recent measures are inadequate, considering that the plunge in oil prices halved profits of companies operating in the North Sea last year.

"There's a limit to what the U.K. "So far, the U.K. economy has government can do," said Gareth done remarkably well," said Mr. Davies, an oil analyst with brokers Unsworth, the Smith New Court Wood MacKenzie & Co. "The manalyst. "With oil's contribution to jor determinate of the timing of government can do," said Gareth new developments is upward

For the major players in the percent annually until the mid-1990s and at a faster rate afterward, according to Leo Drollas, a ward, according to Leo Drollas, a least of the current process of \$10 to \$2.0 a manufacturing trade.

These are not big fields," Mr. Britain's oil trade surplus peaked ward, according to Leo Drollas, a least of the current year are for an oil surplus of £4.5 billion. That would help offset a weak will attract a great deal of production of 2.6 million barrels.

That would help offset a weak would help offset a weak will attract a great deal of production of 2.6 million barrels.

The British government coffers in the medium term, he added. The British government, however the region has already been active. The British government to factoring trade.

While oil production levels in the Morth Sea stayed relatively constituent of the current year are for an oil surplus of £4.5 billion. That would help offset a weak will attract a great deal of production of 2.6 million barrels.

The British government coffers in the medium term, he added. The British government, however the region has already been active. The British government to factoring trade.

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The British government coffers in the medium term, he added. The British government to factoring trade.

The British government to factoring trad

er, is not relying on the vagaries of oil price movements. counted for in strategic planning and is not likely to alter profit fore-

"The problem of North Sea production is mainly macroeconomic," said Mr. Unsworth of Smith New Court. The government "cannot go out and acquire oil reserves in other parts of the world to offset the effects on the economy of declining production in the North

"But big multinationals, like BP and Royal Dutch, can and they've

already done so," he said. BP diversified globally well before North Sea production began, he noted. Today, more than half of its assets are in the United States following its acquisition of all the shares of Standard Oil Co.

Earlier this month, British Gas PLC continued the industry trend of expanding operations beyond the North Sea by making its first

acquisition as a private company. The giant gas utility agreed to purchase a one-third interest, with an option to increase that stake to 51 percent, in Bow Valley Indus-

tries Ltd. one of Canada's top 10 oil and gas exploration companies. Other medium-size companies such as Uluramar PLC and Lasmo PLC also have spread their oil and

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D New York Times, edited by Eugene Maleska.

SPORTS BRIEFS

Mansell Easy Victor in Austrian Grand Prix

ZELTWEG, Austria (AP) — Nigel Mansell of Britain marked his 100th Formula One race with an easy victory in Sunday's Austrian Grand Prix.

Mansell was 55,704 seconds faster than runner-up Nelson Piquet of Brazil, his Williams-Honda teammate, in a race married by two accidents that involved a total of 16 cars and caused two restarts. Piquet led for the first 21 laps before Mansell made a daring inside move as Piquet was about to lap trailing cars.

Espinoza Knocks Out Avala, Retains Crown

SAN ANTONIO, Texas (AP) - Louie Espinoza knocked out Mike Ayala in the ninth round Saturday to retain his World Boxing Association junior featherweight title. About 30 seconds into the round, Espinoza landed a right to Ayala's head, then forced the challenger into a corner. A left uppercut to the midsection ended the light. Espinoza, making his second defense, improved his record to 43-1; Ayala, failing in his third title shot in eight years, dropped to 44-6.

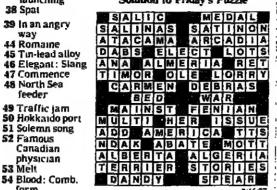
Seahawks Sign Bosworth for \$11 Million seven years here. Silly, but noted.

SEATTLE (AP) — Brian Bosworth signed an \$11 million, 10-year contract package late Friday with the Seattle Seahawks of the National Football League, 2 team he once said he wouldn't play for. The all-American, the rights to whom the Seahawks won in a supplemental draft,

oins a linebacking corps that includes Pro Bowler Fredd Young and rookies Tony Woods and Dave Wyman, the first two picks in the regular draft.

The series of 10 one-year contracts, which made Bosworth the NFL's highest-paid defensive player, reportedly includes a 52.5 million bonus that pays him \$500,000 now and \$500,000 annually from 1997 to 2000. His yearly salary would start at \$300,000 and go up in \$100,000 increments until 1996

Solution to Friday's Puzzle



Ouotable

 Golfer Paul Azinger, on his success on the PGA tour this year: "All those guys that used to beat me in high school and college, boy, I'll bet they're really having a hard time believing thus.

• Tom Cousineau, the San Francisco

49ers' linebacker, asked whether he majored in basket-weaving at Ohio State University: "No. something much simpler: journalism." (LAT) • Steve Howe, the Texas Ranger pitcher who is attempting a comeback after drug problems: "Fans are fans.

SPORTS

VANTAGE POINT/Thomas Boswell Mid-August: Time for Serious Football

Washington Post Service WASHINGTON - At 8 P.M. on Friday. traffic here was backed up. Horns blew as far as

windows to jaw with police. Serious business; somebody might miss the kickoff — of the driving everybody crazy.

National Football League's exhibition season.

"The Redskins will be of

where the Redskins are concerned. For instance, that Friday's 23-17 victory over Pittsburgh may have seemed humble, but for Joe Gibbs, whose teams start slowly in August, it was the best first game (most points, largest victory margin) in

On, give us an omen, any omen. Like the way the Redskins caused a fumble on the first play of the year. Like the way the crowd booed on the home team's first incomplete pass. Seriously now, 52,266 people hadn't been waiting since Jan. 11 to critique Jay Schroeder's zero-points playoff showing against the New York Giants. Had they?

The big surprise was that 3,397 tickets were unused. Holy zone coverage, where could those fans be? Gibbs better not find out they were at

Already the Redskins universe is atwitter with omentous issues. And not a moment too soon: The Iranamok show has been over for at least five minutes. What would the town do without the 40-second clock to get exorcised about?

You didn't know about the 40-second clock? Run some extra laps after practice. It threatens life as we know it. "I'd like to make one point about the new

clock." Gibbs said of the timer that starts after each play in an attempt to deprive us of four-hour games. "It's a disaster. One of the worst things I've ever seen. It's awful, awful - ridicu-

If adopted by league vote in three weeks, it The ones who give you the hardest time might hurt the Redskins more than any NFL have had 12 beers and don't know what team. How much? It could scrub half of Gibbs's. (AP) complex system of substitutions, situation-role

players, men in motion and play-calling-by-the-

"There's no time to do anything," said the the ear could hear and adults leaned out car coach. "It's a circus. The TV pressure to speed. up games) has everybody going bonkers. It's

With the 40-second clock, you might have to line up the same 11 men play after play, with no shifting or motion, and let the quarterback call his own plays. Remember. Lombardi football?

lot of things out that you work so hard to put in," he added. "If we gotta cut something out, take out the point after touchdown, take out anything. But this is....

Did we mention awful, ridiculous, crazy and a disaster? If the new clock (a two-touchd underdog in the early line) is adopted, coaching staffs might not be able to sleep at the part during the week, putting in that vital extra 60 hours of preparation. You might have to line up the same 11 men play after play, with no shift-ing or motion, and let the quarterback call his own plays. Remember Lombardi football?

The other guaranteed hot topic for the next month is the chance of a Big Trade. Doug Williams, Jeff Bostic and someone else of Al Davis's choice for an Oakland Raider linebacket - hopefully Matt Millen, if the gods of hogbladder have any sense of fair play.

"Jeff Bostic walked past me the other day," said Williams, "and said, "If we've got to go somewhere together, then let's not go to....

And he named a town which I won't name. It

probably isn't Indianapolis. "I've got to roll with the punches, abide by the rules," said Williams, 32, who threw one

pass - incomplete - in the entire 1986 season Williams awaits the next few weeks with seligh-As more and more Washington desenders get Now that the burgundy-and-gold are playing, after 213 days of Redskinless misery, the city has reason to live again.

Folks know and care about strange things where the Redskins are concerned. Expressions the Redskins will be one of the first to send on the Williams as insurance policy. There is not a more washington transmission to send and more washington transmission. As more and more washington transmissions german and more washington transmissions german and more washington transmissions. As more and more washington transmissions german and more washington transmissions german and more washington transmissions. As more and more washington transmissions german and more washington transmissions german and more washington transmissions. The washington transmission transmissions german and more washington transmissions german and more washington transmissions.

"We've got a lot of good receivers like Derek Holloway, Eric Yarber and Rickey Sanders. One of them could go somewhere in a trade-"Next week, [third-string quarterback] Mark Rypien will probably play and he's looked very good. He might add some more to the sitte

tion." Williams said after playing two quarters Friday night — his longest southdown passes at When you've thrown 93 touchdown passes at Grambling, 73 in the NFL and dozens in the USFL your competitive juices bubble after you go 8-for-16 for 102 yards and a game winning

A dozen NPL scouts watched the Redskink many of them drawn by Williams and Bostic the one-time Pro Bowl center who's 28 and healthy but deemed too tiny at 260 possible. (117.7 kilograms). What would they fetch are the market? Especially if Rusty Hilger documents pan out as the Raider quarterback?

"I don't think the Redskins could get a top linebacker for two second-stringers," said New York Giant General Manager George Young scouting his rivals. "I wouldn't be interested in a deal like that I don't think anybody disc would either."

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Or does be just hope that nobody else would

It's August, so Redskin mania is upon us. With clocks and trades to discuss, with foe Theismann's memoirs to read and sprained knees to fret over, it's enough to make a person refill the old tranquilizer prescription.

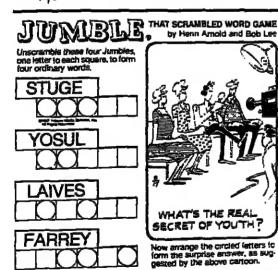
How will we stand it when the real games

PEANUTS



HE'S THE ALARM CLOCK HERE JOEY.

"HOW DO YA TURN HIM OFF 2"



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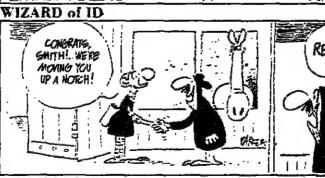




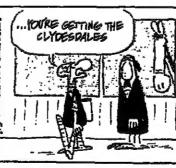










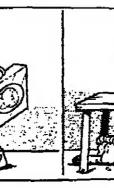


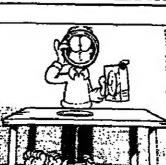
REX MORGAN











Amsterdam

The Amsterdam Stock Exchange continued to gain last week, with the CBS general index closing Friday at a record of 334.1, against

327.5 the previous Friday. The bourse began the week in an optimistic mood, and the index rose 2.9 points to 330.4 on Monday, International stocks were supported by another slight rise in the dollar: On Wednesday, the general index moved

higher to 333.9, mainly as a result of jumps for Royal Dutch and Unilever. According to Amsterdam stockbrokers Kempen & Co., this week is likely to bring a

new record high.
Turnover for the week was 8.11 billion guilders, against 7.67 billion the previous week.

Frankfurt

The Commerchank Index set a year's high of 2.056 last Monday, before profit-taking, especially by foreign investors, depressed prices on-

the West German stock exchange. Prices recovered somewhat on Friday, and the index closed the week at 2,041.1 points, 1.8

Volume on the eight West German exchanges totaled 26.92 billion Deutsche marks, against 33.80 billion the previous week.

Autos were irregular, with BMW dropping 6
DM to 742, Daimler unchanged at 1,205 and

VW off by a mark to 403. In tires, Conti-Gummi rose 20 DM to 373. Capital goods were firm, with KHD finishing at 200 DM, up 2.50, and Linde at 788, up 4.

In electricals, AEG gained 18, but Siemens

was off 16.

Hong Kong

Hong Kong's Hang Seng index made sharp gains early last week, only to lose ground amid profit-taking, to close Friday at 3,512.15, down 24.04 on the previous week.

Average daily turnover was 2.18 billion Hong Kong dollars, way down on the previous week's 2.46 billion.

The most because with the Mang Seng Mining.

The week began with the Hang Seng hitting a new high of 3,543.76 on Monday, after scoring three records in the previous live sessions. But the market took a dive on Thursday. Cathay Pacific ended the week at 7.45, up 10 cents; Cheung Kong at 13 dollars, down 30 cents; and China Light at 26.90, down 10 cents.

London

Economic indicators, notably trade figures that showed a substantially narrower deficit in June, prompted a rally among equities and gilts on the London Stock Exchange last week. The Financial Times industrial share index recovered 58.4 points, ending the week at 1,785.3, after the previous week's shock rise in

interest rates had sent prices plunging.
Good gains were spotted among leaders, helped by news that Nomura, the Japanese securities house, is to start market-making in 10 top British stocks on Aug. 24. BOC, General Accident and Commercial Union were supported by interim results, but

Royal Insurance, BP and Shell responded less Gilts benefited from the pound's steadiness.

but gold mines retreated after gold prices fell.

Milan

The Gulf crisis, coupled with uncertainty about the longevity of the current Italian government, combined to depress Milan stocks, which closed the week 3.63 percent down. The Comit index finished the week at

634.34, against 657.43 the previous Friday.

On "Black Monday." as it was dubbed, the market lost 3.6 percent, and fell a further 2 percent on Tuesday. There was some recovery Wednesday, as the government denied suggestions that it would

force up interest rates to protect the lira. But small losses Thursday and Friday testified to the market's caution. Trading volume almost doubled from the previous week, reaching a total of 900 billion lire, after 490 billion.

Paris

The Paris Bourse moved lower during the first part of the week, but finished on a positivenote with a rise of 0.5 percent on Thursday and a 2.2-percent jump on Friday.

The week, traditionally among the slowest of the year due to August vacations, began badly because of the sudden rise of European interest

On Thursday, some positive British views of the Paris market helped prices rise a bit, and Friday brought a startling 2.2 percent jump in

active trading. The rise was partly due to lowe interest rates on call money and the good news that French prices rose by only 0.2 to 0.3 percent in July, according to preliminary data.

Denials by Compagnie du Midi and Thomson-CSF of unfavorable rumors concerning

them helped create a better Bourse mood. Prouvost was active, with nearly 400,000 shares changing hands Thursday and Friday combined and it gained nearly 14 percent on Friday. Many observers think Chargeurs SA is continuing to buy.

Singapore

WORLD STOCKS IN REVIEW / Via Agence France-Presse

Profit-taking hit quality stocks last week in Singapore, in a holiday-shortened week. Trading began on a cautious note Tuesday after Monday's national holiday. A brighter forecast of possible 7.2 percent growth for the Singapore economy this year, compared with an earlier prediction of 3 percent to 4 percent,

failed to pick up sentiment. Although the Straits Times industrial index hit a new high of 1,491.28 points Wednesday it registered a steady daily drop afterwards, to close at 1,476,39 points Friday.

ion units from 43 million the previous week.

Lokyo The Tokyo Stock Exchange advanced strongly last week, buoyed by a record-break-

ing performance on Wall Street. The main market barometer, the 225-issue Nikkei Stock Average, gained 693.06 year to close at 25,491.01 year Friday, after the previous week's climb of 312.84 yea. The market was closed Saturday for a rego-

lar monthly recess. Institutional investors, their confidence by stered by Wall Street's bull run, decided now was the time to buy. The Nikkei closed at 25.575.74 yen Thursday, within striking distance of its record of 25,929.42 yen set June 17. Profit-taking and wariness about the speed of the market's advance led to a sizable \$1.73

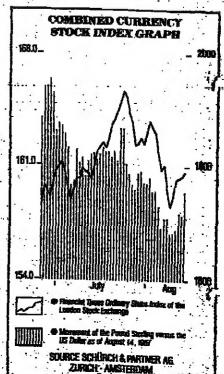
loss Friday. Many market analysts expect the exchange to reach new highs this week, although Tokyo will be keeping a firm eye on New York, where traders will have to take into account the poor U.S. trade figures for June.

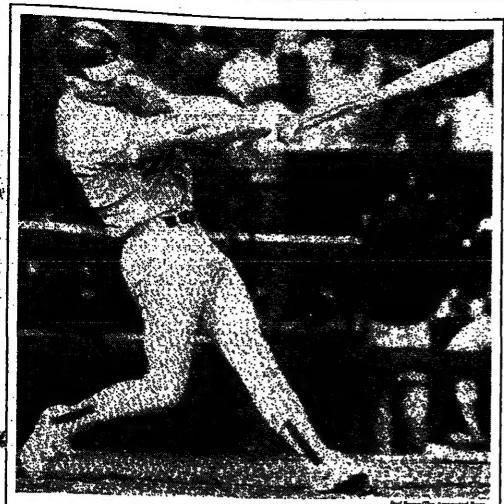
Zurich

The Zurich stock market continued to rise, and the Swiss Bank Corp. index went over 700 points for the first time to finish the week at 701.6, against 691.2 the previous Friday. But analysts said the market might well reverse course on Monday, following Friday's report of a big U.S. trade deficit for June. The dollar lost ground in Zurich on Friday, and Swiss export shares should feel the effects, they said.

Bank stocks were higher on the week, except Credit Suisse, which lost 5 points to 3,445.

Credit Suisse, which lost 5 points to 3,445. Financial companies were also up, with Oerlikon Bührle gaming 145 to finish at 1,630. Industrials and chemicals gained ground: Sulzer rising 100 to 4,700, BBC jumping 400 to 3,150, and Sandoz rising by 125 to 14,975. Insurance and food stocks followed the general trend, with Zürich up 150 to 7,550 and Nestlé 90 to 5,070.





McGwire Hits 39th, Breaking Major League Record

Mark McGwire of the Oakland Athletics, hitting his 39th home run this season in the sixth inning of Friday night's game against the California Angels, broke the major league record for rookies that was set in 1930 by Wally Berger of the Boston Braves and matched by Frank Robinson of Cincinnati in 1956. The Athletics beat the Angels in the 12th, 7-6, when Mike Davis singled home a run.

Phillies Beat Cardinals, 4-3, as Rawley Wins 15th

ST. LOUIS - Juan Samuel singled in two runs in the seventh inning Sunday afternoon to give the Philadelphia Phillies a 4-3 triumph over the St. Louis Cardinals and Shane Rawley his major league-high 15th victory.

Rawley, in winning his seventh straight, tied Rick Sutcliffe of the Chicago Cubs for most victories in the National League. He gave up four hits in six innings, including Jack Clark's home run during a tworun first. Clark led off the ninth with his 32d homer, off Steve Bedrosian, but with Jose Oquendo on second hase, Bedrosian retired John Morris

on a fly to center for the final out. The Cardinals' John Tudor entered the seventh with a two-hitter and a 2-1 lead. But Glenn Wilson singled and, after Rick Schu forced him at second, Steve Jeltz doubled and Tudor walked pinch hitter Ron Roenicke to load the bases. Samuel ter to score Schu and Jeltz.

made it 4-2 in the eighth.

Tim Raines singled, doubled twice. tripled and homered and Tom Foley hit a three-run homer as the Expos with a double and a single against won their fourth straight, sweeping Atlanta. the series with Pittsburgh.

SUNDAY BASEBALL

Raines, the first Expo to hit for the double in the eighth inning. cycle since Tim Foli in 1976, led off followed with his line drive to cen- one out later, Andres Galarraga hit in eight innings. a grounder through second base-Jeltz's bases-loaded grounder man Johnny Ray's legs to score with a grounder that shortstop fourth four-hit game this season, made it 4-2 in the eighth.

Webster. Foley then homered on Bobby Meacham misplayed. Pat raised his batting average to 371. Expos 10, Pirates 7: In Montreal, the first pitch from Brad Gideon. Tabler grounded into a forceout.

Astros 6, Braves 2: In Houston

Yankees to four hits and Cleveland but Jones then struck out Gary won on Cory Snyder's run-scoring

The Yankees have lost 11 of their the seventh with a double and last 15 games. Ron Guidry was the ton, rookie John Marzano hit two scored on Mitch Webster's single. losing pitcher, despite allowing two-run homers and doubled Herm Winningham walked and, only eight hits and an unearned run against Texas, while Spike Owen

Billy Hatcher drove in a four runs. Snyder hit a line drive that bounced

into the left-field seats.

Fernando Valenzuela, who al-

first inning, has won just once in his

Cubs 7, Mets 3: In Chicago.

Expos 6. Pirates 3: In Montreal.

Vance Law's grand-slam home run

RBI double for Philadelphia.

until an Aug. 27 hearing.

run average in that span.

Rich Yett and Doug Jones held the Mike Easler drew one-out walks. Ward and retired Don Mattingly on a routine fly to left.

Red Sox 12, Rangers 2: In Bosand Ellis Burks each hit one two-run Brook Jacoby began the eighth homer and Wade Boggs, with his

Marzano, called up from the mibut stole second and, with two out, nors July 31 after Rich Gedman was disabled for the season, capped a four-run second inning with his Ron Kittle led off the bottom of third homer, hit high into the left-Indians 1, Vankees 0: In the the eighth with a single. Pinch hit-field screen. In the sixth, after Owen Montreal trailed, 7-4, when American League, in New York. ters Claudell Washington and singled with one out Marzano homered over the screen. He got his first three-hit game in the majors with a double off the wall in the seventh, after Owen had homered,

then scored on Burks' homer. Blue Jays 6, White Sox 4: In Toronto. Lloyd Moseby drove in three runs with three hits against Chicago, the last a tie-breaking idle Cincinnati in the West Divitwo-run homer in the seventh inning, and teammate George Bell lowed three runs and five hits in the batted in his 100th run this season.

In the third inning, Moseby sinlast six starts and has a 6.02 earnedgled and tried to steal second sliding head first into the bag as catcher Carlton Fisk's throw sailed into center field. But, thinking the ball had Dave Martinez and Ryne Sandberg each got three of their team's 17 been hit by Ernie Whitt, Moseby got up and ran back to first. Center hits and drove in two runs in helpfielder Kenny Williams threw wildly ing end the 10-game winning streak to that base, allowing Moseby to again reach second safely. Bell then singled, to become the first AL play-er this season to get 100 RBI.

with one out in the ninth beat Pitts-The Blue Jays tied at 4 in the sixth. Bell led off with a double, took Phillies 5, Cardinals 2: In St. third on a fly ball and scored on Rance Mulliniks's sacrifice fly. Louis, Kevin Gross won his first

start since umpires ejected him Twins 5, Mariners 1: In Minne from a game for having sandpaper apolis, Gary Gaetti doubled twice and drove in two runs against Seattle. Frank Viola, who gave up five hits, struck out five and walked one, Gross, ejected from last Monday left the game after Gary Matthews's leadoff single in the ninth and Jeff

Reardon got the last three outs.
The Twins got eight hits, six of them doubles, with Gaetti and Astros 8, Braves 0: In Houston,

Gene Larkin each hitting two. Three doubles in the first inning gave the Twins a 3-0 lead. Steve Lombardozzi doubled with one out, Kent Hrbek drew a two-out walk. Gaetti followed with a two-

Pagliarulo's Homer Helps Yanks End 5-Game Skid

NEW YORK --- Mike Pagliarulo moved into the cleanup spot Satur-day night and helped the New York

SATURDAY BASEBALL Yankees end a five-game losing streak as he hit his 25th home run

Cleveland Indians. "I don't care where I bat as long as I hit good," Pagliarule said. "Right now I'm seeing the ball good. We need to win five in a row and put some pressure on Toronto and Detroit."

Dennis Rasmussen got his first victory since July 10 as the Yankees moved to within two games of the Toronto Blue Jays, who lead the American League East Division.

But, said the Indians' manager, against Seattle. Doc Edwards. "Any time you leave Doc Edwards. "Any time you leave Athletics 13, Angels 3: In Ana-13 on base you figure to lose. There this season and batted in three runs during an 11-2 victory over the would have kept us in the game."

> Joel Skinner. Don Mattingly began jor-league leader. Stewart has won a three-run third with his 21st nine of his last 10 decisions. homer of the year, a shot into the upper deck, then Dave Winfield Wade Boggs walked with the bases beat out an infield hit and Pagliarulo hit a 410-foot homer to center.

Orioles 2, Brewers 1: In Baltimore, Larry Sheets, his team's leading hitter with men in scoring position, singled in two runs in the sixth and Mike Flanagan pitched a six-hitter against Milwaukee.

The Brewers' Paul Molitor extended his hitting to streak to 30 games when he led off the contest with a bloop single. That tied him with George Brett of the Kansas City Royals for second-longest streak this decade, Ken Landreaux baving had a 31-game hitting streak with the Minnesota Twins in 1980.

By Malcolm Moran New York Times Service INDIANAPOLIS - The tense

coexistence between the Cuban

delegation at the Pan American Games and opposition groups erupted late Friday night with a fight outside the boxing ring at the

At least four members of the

Cuban boxing team and a delega-

tion official confronted spectators

during a match, attracting the attention of the crowd and at least

one of the participants in the ring. One speciator was arrested for disorderly conduct and three others

of the incident, which began as a confrontation between members of the Cuban contingent and Cuba Independiente y Democratica

(CID), an organization based in

Venezuela with several chapters in

Although officials of the games'

organizing committee had spoken of having a less obvious security

presence than that at the Los Ange-

les Olympics three summers ago,

precautions were more evident at

Saturday's boxing competition, which was held without incident.

There were also no problems as the

U.S. defeated Cuba in baseball, 6-

committee. It was the second the

Convention Center.

the United States.

Tigers & Royals 4: In Kansas City, Missouri, Alan Trammell's tional League, in San Francisco. league seasons.

"I pitched inside more tonight." two-run home run with one out in Dave Dravecky held Los Angeles Rasmussen said. "I established my the eighth gave Detroit its victory. to four singles to help put the Gi-inside fastball early and it set up Twins 14, Mariners 4: In Minne-ants back into a first place tie with

my curve. I decided that if I was apolis. Roy Smith won his first going to get beat, it would be with start since being recalled from the my good fastball, not my batting minors Aug. 4 and Greg Gagne practice fastball where I let up on tripled in two of the eight unearned runs scored in the first inning

were three spots where a base hit a three-run homer against California, Dwayne Murphy hit two two-The Yankees scored twice in the run singles and Dave Stewart postsecond inning to take a 2-1 lead on ed his 16th victory, tying the RBI singles by Dan Pasqua and Royals' Bret Saberhagen as the ma- of New York starter Terry Leach.

loaded and two out in the eighth to beat Texas after Spike Owen singled past a drawn-in infield to tie the score at 6.

White Sox 1. Blue Jays 0: In on his glove and Mike Schmidt hit Toronto. Rich Dotson pitched a two bases-empty homers and an six-hitter to outduel Jim Clancy, who limited Chicago to two hits for eight innings but lost because, in night's game against Chicago, is the first inning, he walked leadoff appealing a 10-game suspension batter Ozzie Guillen, who stole sec-imposed by the league and can play ond, got to third on Donnie Hill's ground out and scored on Harold Baines' ground out to first base. In his last seven starts. Clancy, who hasn't won since July 12, is 0-4 with three no-decisions.

Davis hit a three-run homer against Atlanta. Davis now has hit at least Giants 5, Dodgers 0: In the Na- 20 homers in all three of his major-

for his first NL shutout and Glenn (UPI, AP) run double and Larkin doubled.

SCOREBOARD

Baseball

Friday's and Saturday's Major League Line Scores Gold Medalists (8) and Brenty, W-Hillegas, 24, L-Cowns, 9-7. Sv-Crews (2), HRs-Son Francisco, Al-

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Evens	(27).						
		Second	Gam				
	With, Loynd W-Hu	Moston Witt, Howe Loynd (8) and	Taxons Section Write, Howe (7), Russ Witt, Howe (7), Russ Wi-Hurst, 14-6. L.—Ho Evans (27),	Tesens 900 Seston 191 (Witt, Howe (7), Russelt (7) Loynd (8) and Stanley; Hum W—Humt, 14-6, L—Howe, 0 Evans (27),	Sesten 191 606 6 Witt, Howe (7), Russell (7), W Löynd (8) and Stanley; Hurst on W-Hurst, 14-6, L—Howe, G-1, H	Tueges 900 200 100-2 Beaton 101-00 (Tue-) With Howe (7), Russel (7), William Loynd (8) and Stonley: Hurst and Mor- Hurst, 14-6. L—Howe, 0-1. HR—Se Evans (27),	Tages 988 289 100—3 9 Seston 101 006 673—9 8 With Howe (7), Russet (7), Williams (7) Loyne (8) and Stanley: Hurst and Morzene Wi—Hurst, 14-6. L.—Howe, 0-1. HR—Bester Evans (27),

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Sewari, Radriguez (8) and Tetterion; Condesoria, Lamorico (3); Lucas (6) and Boone,
Allier, W.—Stewart, 16-7, L.—Candeloria, 6-5,

HRs—Oakland, Lamoford (13), Conseco (24).

Nec. Sector 2 (17), Squarers, Remeay (14). Defroit 11 366 621—8 48 Konsos City 291 126 917—7 12 1 ... Taryell, Petry (5) and Heath, Nokes (5); Slock, Davis (8), Gleaten (8), Quisenberry (9) and Quirk, W—Black, 5-4. L—Terrell, 9-10. Sw—Quisenberry (8). HRS—Hanes City, Tarkell, 1118. Sector (17). abuli (18), Balbeni (17). Inklami 900 523 567 66)—7 12 2 Inklami 935 661 185 966—4 14 1 Yaung, Howell (8), Caderel (9), Lamp (9),

Young, Howell (8), Caderal (7), Lamp (9), Leiper (11), Rodriguez (11), Eckerslev (12) and Steinbach: Sutton, Finley (4), Minton (8), Lucas (9), Buice (19) and Boone, W.-Radri-guez, 1-4, L.—Buice, 5-4, Sv.—Eckerslev (9), HRs.—Cakland, Steinbach (12), McGwira (39), California, Downing (22). NATIONAL LEAGUE 801 866 080-1 4 1 808 846 20x-6 F 5

Dunne Gidson (8), Smilev (8), Goti (8) and Oritz, Lavallere (8): Heaton, Porrett (7), McClure (8) and Reed, Fitzserald (7). McClure, 6-1, L—Smilev, 3-2, HR—Manirest,

Incinent 009 200 000—2 5 1 cm Diess 000 000 000 000—6 4 5 Power, France (9) and Diez: Shew, McCul-9-7. L-Show, 6-14. Sv-Franco (22).

636 690 663— 6 72 Jan Diego V Hoffman, Mentgomerv (3), Scherrer (4), Williams (5), Murphy (7), Franca (8) and Diaz; Jenes, Booker (5), McCullers (7), Gos sage (8) and Bachy, Scriftings (7). W.—Booker, 1-1. L.—Hoffman, B-B. HRs.—Cincinnati, Esasky (14), Bell (4), Daniels (19), San Diesa.

AUSTRIAN GRAND PRIX

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Pulso, Olwins (5), Acker (6), Boever (8) and
Viroll, Benedict (6): Knesper, Heathcack (8),
Smith (9) and Ashby, W.—Knesper, 5-12, L.—
Pulso, 5-5, HRS.—Attento, Runge (2), Housien,
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Major League Standings

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	Toronto	49	48	_990	-
	Detroit	47	47	.555	13
	New York	57	50	571	2
	Milwoukee	40	54	.517	16.
	Boston	55	61	A74	1319
	Ballimore	53	64	453	10
	Cleveland	44	72	377	1495
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	Minnesota	64	54	,542	_
	Ookland	57	57	_509	4
	Colifornia	59	50	.504	412
	Kenses City	58	50	500	5
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	Seattle	55	40	478	74:
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•	York	65	52	.556	544

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AMERICAN LEAGUE

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Lacch, Myers (5), 5isk (6), Cane (7) and Carter: Mayer, DiPino (8) and J.Davis, W.
Naver, 184, L.—Lauch, 18-1, 8--DiPino (2),
HRs.—New York, Hernandez (12), McRaynolds (21), Chicago, Martinez (8), Durham (14),

Los Angeles 300 000 000-0 4 3 300 001 01x-3 11 1

Fisher and Lavalliere: Martinez, Burke (9) and Reed, Fitzgerold (9). W—Burke, 3-0. L—Fisher, 7-E. HRs—Montreal, Wallach (19), Fo-Philodelphia 181 916 286—5 18 4 If. Louis 588 200 006—2 8 6 K.Grops, Sedrosion (6) and Doulton, Pornish

(8): Fersch, Horton (7), Peters (8) and Pena W—K.Gress, 8-10, L.—Fersch, 18-4, Sv.—Bedro VI—K.Gross, 8-18. L.—Fortice, 18-4 SV—Secro-sion (22), HRs—Philiodelphio, Schmidt 2 (25) Atlantia 908 989 989—8 7 (Houston 280 418 185—8 13 2 Mahler, Acker (4), Boever (7) and Virgil; Dorwin and Ashty, W—Darwin, 8-7, L—Mah-ler, 6-12. HR—Houston, Davis (29).

Tennis

MEN'S TOURNUAENTS (At Progue) Quarterfinets

Pops, Wesl Germany, 44, 44 Smid (2). Czechoslovakia, def. Muster, Austria. 7-5, 5-7, 7-5.

Anusrer, Austria. 75 57 75.

A Voido (4), Conchesiovaldo, del.

ovocek (5), Czechesiovaldo, 44.6-4.3-6.

rmo Vilos (7), Argenilma, def. Peter

Csechesiovatio, 6-3, 6-2.

Secultinois.

den Zivalinovic (19), Yugaslavia, 6-1 Staton Edbers (2), Sweden, del. Kev (en (8), U.S. 7-6 (7-5), 7-5.

Borls Becker (3), West Germany, L undgren, Sweden, 1-6, e-2, 6-1. Jimmy Conners (4), U.S., def. Joh

Quarterfin Ivan Lendi (1), Czechosk

roe (6), U.S. 43, 34, 42

Edberg del. Becker, 62, 64. Lendi del. Connors, 7-5, 6-4.

WOMEN'S TOURNAMENT (At Manhatton Beach, Californi

Martine Novrettlevel (1), U.S., def. Elly i-horni. U.S., 6-3. 6-2. Steffi Graf (2), West Germany, def. Betti Burge (7), Monaco. 6-1. 6-1. Gobriele Sabatini (7), Argentino, def. Nar

Chris Everi (3), U.S. del, Lari McNeil, U.S.

Pan American Games

ARCHERY

Men's 200 Sprint: Ken Corpente Men's 4,680 Team Parpait: Unit and Carl Sundanist

Chicage 902 900 808—2 4 8

Terrente 90 30 900 808—3 7 9

Del.com and Plak; Corutil, Herket (9) and Whitt, W—Cerutil, P-2, L—Del.com, 5-11, 5v—
Hooke (28).

Cevaland 820 91 90—4 13 9
New York 216 808 809—6 9 7

Candietti, Vande Bers (8), Jones (9) and Allamano); Jehn, Arnsbers (4), Clemanis (9), Seddord (9) and Skinner, W—Candietti, 6-11, 5v—
L—Arnsberg, 1-2, 2v—Jones (4), HRs—Cleveland, Jacoby 2 (23), New York Antihiphy (39), Passaua (12), Paysaua (12), Paysau

SHOOTING

Men's 186 Backstroke: Andy Gill, U.S. Men's 200 Butterfly: Bill Stopleton, U.S.

Vidence's 45 Medicy Relay: United Stoles Hally Green, Lari Helgick, Janel Jargenson nd Sero Linke) Women's 300 Freestyle: Tommy Bruce, U.S. Women's 50 Freestyle: Jennifer Thumpson,

Fights Erupt Beyond the Ring at Pan Am Games Ja. Wenen's 200 Bockstreke: Kalle Weich, U.S. Wenen's 200 Bufferfly: KeruMcGrufh, U.S. Syschronized, Ober; United States (Karen seshippen and Sarah Sacehson)
TABLE TENNIS

TAEKWONDO Pływeight: ARIKWONDO
Pływeight: Stave Capener, U.S.
Weiterweight: Stave Capener, U.S.
Weiterweight: Ernesto Rodrigue, M Heavywight: Jenny Kim, U.S.
TRACK AND FIELD,
Men's 30: Floyd Heard, U.S.
Mon's 118 Hurdies: Andrew Parker, Je

m's St-Kilometer Walk; Alartin Ber Men's Javella: Duncan Atwood, U.S.

Mon's Javella: Duncan Alwood, U.S. Mon's Pole Youth: Mike Tutiv, U.S. Women's 100 Hardles: Lavonne Marille WREST LING: (Freethic) 10512 Pounds: Aide Martinez, Cuba 11413 Pounds: Carins Vorela, Cuba 1255 Pounds: Alejandro Puerle, Cuba Losers: Orris Lorson, U.S.

Transition

American Laugu BALTIMORE—Announced of Doug Corbett, pitcher. CLEVELAND—Optioned Joy Bell, shor

ia. NEW YORK—Activated Willie Ran er, and assigned him to St. Catho

CHICAGO-Receited pitcher Gree

Auto Racing

York-Penn League. National League

DRIVER STANDINGS

2 0 220 190

5 2 0 203 109 4 3 0 236 194 2 6 0 144 277 1 4 1 142 195

Friday's Result

1. Nelson Piquet, Brozil, 34 points 2. Ayrton Senno, Brozil, 43 3. Nigel Monsell, Britoin, 39 4. Algin Prosi, France, 31

gutsen, bergium, a 9. Teo Fabi, Italy, 7 10. Setaru Nakolime, .

CFL Standings

Cincinnati Ji, Tampa Bay 30 Cleveland 31, St. Louis 14 Atlania 19, Butialo 14

Antonia IV. Serinis 19 New Orleans ZJ. Minnesota N.Y. Jels 13. Philiadelphia Son Diego 29, Dallos V

Bolf Clinic

energiants over (1), U.S., durt. Elly Ho- NFL Exhibitions

HOUSTON—Purchased the contract of in-fletder Date Berra from Tucson of the Pacific

Hatianal Feetball League
L.A. RAMS—Cut Kelth Tinsley, with

SAN FRANCISCO-Walved Paul Belling TAMPA BAY—Signed Lipyd Mu

COLLEGE BENTLEY—Named Peter Simenini men soccer cooch, Premoted Bob Defetice, bes bell coach, to assistent ethicite director.

5, Ayrton Senna, Brazil, Lotus Honda, 2 laps & Alain Prost, France, McLaren TAG, 2 coach.
IOWA STATE—Named Stave Kratcisin
coach.
IOWA STATE—Named Stave Kratcisin S. Piercario Ghinzoni, Italy. Ligier, 2 lass 9. Christian Danner, W.Germany, Zak-

European Soccer

V. Christian Danier, W. German, 200. Speed, 3 Nors 10. Rene Arnoux, France, Ligier, 3 Nors 11. Ivon Capelli, Holy, March Ford Cos-worth, 3 Nors 12. Phillippe Alliof. France, Lorrousse Cal-mets, 3 Japa ENGLISH FIRST DIVISION
Arsenot 1. Liverpool 2
Charleon 2. Sheffield Wednesdov 1
Coventry 2. Toffenbarn 1
Dorby County 1. Luten 0
Everton 1, Norwich 8
Oxford 4. Portsmorth 2
Southampion 2. Manchester United 2

Siefan Johansson, Sweden, Gerhard Berger, Austria, 9 Michele Albaret Motoreser united in Comm. Stellied w bledon, Armerol, Tellenham, Stellied w day. Chariton, West Horn, Portomous WEST GERMAN FIRST DIVISI Football

dov. Charitot, West Mans. Portsmouth 8.
WEST GERMAN FIRST DIVISION
Barussio Derfanund 2, Hamburg 9
Baver Usrdingen 3. Einfracht Frankfurt 8
Baver Leverkusen 1. Nuremberg 1
Stufigert 6. Berussio Monthenplachoch 9
Bochum 6. Cologne 9
Karisruhe 4. Schalhe 1
Peieds standlags: Boyern Munich 6: Stufigert 1
Peieds standlags: Boyern Munich 6: Stufigert 5. Werder Bramen 5: Nuremberg, Boyer
Leversusen, Cologne, Borvegle Monthemyloboth 4: Karisruhe, Bochum 1; Hannover,
Hamburg, 2: Boyer Charitmen, Borunsia Dortmund, Kaisarsiaufern, Weidagi Magnihelm 2:
Hamburg, Elwirocht Frankfurt 1, Schalhe 8.
FRENCH FREST DIVISION
Monaco 5. Taslause 1
Bordeaux 2, Le Havre 2
Niort 1, Paris St.-Germain 2
Lille 1, Morseille 1

Lille I, Morsetile I Connes G, Montoetter D Scint-Etienne 2, Metz D Toulon 2, Lens D Motro RC Peris 2, Nice 1

FOOTBALL

4, and the Cuban women's volleyball team best the United States,

three games to none. A spokeswoman for the Indianapolis Police Department said that the original plan to have approximately 40 percent of the force HOCKEY on duty Saturday had been revised

Mational Heckey League
WINNIPEG—Styred Lourse Boschmen.
center; Gilles Homel, left wing, and Andrew
MCBein, rishs wing, to multi-year centracts.

and added searches at the turnstiles to each event.

Southampton 2, Manchester I, Watford I, Wimbiedon 8 West Hum B, Queens Park 1 Points Standings: Q-1

Coventry, Liverpool, Nottingham Forest, One sea, Everion, Derby, Watford 2; Southsmelus Monchester United 1; Luton, Norwich, Warn

Points Manifest Mg Peris-SG 7; Toulan, Mgs orro RC Peris. Sele Effenne, Toulouse 6; Lille, Manipellier, Aux erre, Connes, Nontes S; Lovol, Le Havre, Mar

Following Friday's unscheduled fisticuffs at the boxing arena, Indianapolis police tried to head off further disturbances by confiscating flags at the Cuba-United States baseball game.

chief of the Cuban delegation, filed said. "And we will defend our a protest with Mark Miles, the selves, Anytime a Cuban is hit, he the finish, throwing several hard president of the local organizing will hit back."

Cubans had filed during the games. bans to retaliate Friday night was scheduled bouts.

But Gonzalez Guerra said Fri- Pablo Romero, the amateur world

"As far as doing anything dra- first blow," Gonzalez Guerra said each event.

Manuel Gonzalez Guerra, the competition," Gonzalez Guerra mero was not there."

right uppercuts in what was sud-The most prominent of the Cu- dealy a loth fight on a night of 15

Speaking through an interpreter. to call upon a substantially higher number of officers.

Security personnel at the center and the adjoining Hoosier Dome and the adjoining the belongings cidents since the opening ceremotic was the first one to hit the smilet. We tried to chase them."

They want to say the boxer Romero was the first one to hit the smilet. We tried to chase them." Romero said through the interpreter. "We suppose we made two unofficial knockouts. The three CID members were

treated for lacerations and abra-

sions that the police described as

minor. The commander of police at

the convention center said the al-

tercation began with a dispute in-

volving two Cuban flags belonging to the spectators. The incident began in the stands on the south side of the makeshift arena. After Arthur Johnson, the won the second fight of the evening

many spectators had departed. "Three-quarters of the stadium was empty," Gonzalez Guerra said, "and these people were sitting behind the Cubans to do provocation. If they are provoking one Cuban, other Cubans are there to hit back."

Orestes Martinez, a member of the Cuban staff, had a mark under his left eve after the altercation. Armando Guirola, the chief of security for the Cuban delegation at the games, said Martinez was attacked by two CID members, which led the lighters to rush to assist him.

In the ring, Marc Menard, a Canadian lightweight on his way to a unanimous decision in a preliminary round match, turned to watch the confrontation. Later in the evening, Candelario Duvergel of Cuba, the defending Pan Am champion in the 139-pound division, was booed loudly by most of

BOOM — Evander Holyfield, here landing a punishing right, retained his WBA junior heavyweight and IBF cruiserweight titles by stopping Ossie Ocasio of Puerto Rico in the 11th round Saturday night in Saint-Tropez, France. Making his fourth title defense, the 24-year-old American raised his professional record to 16-0 while Ocasio, 31, fell to 32-5.

Portrait of a Surrealist

Eileen Agar's image of

over the place and I showed with

them so I was really tagging along. And of course this thrilled me

because otherwise I would just

have been showing alone. I mean I

wouldn't have been showing, I would just have been working

MARY BLUME

Eileen Agar is still tiny and pert. She is 83 years old. "But don't let that fool you," warned a staff member at the Birch and

Conran gallery in Soho where an

Agar retrospective, which has just closed, was graced by frequent im-

promptu visits by the painter.

Agar's work was also shown this

summer in Punkaharju, Finland,

and she will be in a "Women in

Surrealism" exhibition in Lau-

sanne this coming winter. Her

memoirs, "A Look at my Life,"

She has a studio in Kensington

and although she was photo-graphed by Cecil Beaton and at-

tracted a certain amount of atten-

tion for wearing black gloves decorated with red fingernails, she

says she never thought of herself as a beauty. "The beauty of the group was Lee Miller but then, as

someone said, all the surrealist

women were very good looking."

will be published in 1988.

"The Angel of Anarchy."

TONDON — After its eruption in France with Andre Breton's 1924 Manifesto, the surrealist movement swiftly spread to such places as Czechoslovakia, Egypt and the Canary Islands. It didn't officially reach England until the International Surrealist Exhibition of June 1936, and while the show caused a predictable fuss ("A travesty of all that is decent," said the Manchester Evening News), the history of surrealism in England could be inscribed on the face of a limp watch. It arrived late, faded soon and some of the artists in the 1936 exhibition hadn't even known they were surrealists until they were asked to

Among them was Eileen Agar, now one of the few surviving British surrealists, then a young painter who had met many artists dur-ing two years in Paris in the 1920s and who was working mostly on portraits although she had painted a large premonitory work called "The Autobiography of an Embryo" (1933-34) which with its emphasis on birth and the unconscious and loopy metaphysics could certainly be considered surrealist in part. She was also a friend of the painter Paul Nash with whom she shared a taste for two surrealist tools, found objects

Nash introduced Agar to the critic Herbert Read and to the painter Roland Penrose who, with the poet David Gascoyne, orga-nized the 1936 surrealist exhibition at the New Burlington Galleries off Bond Street. When the stiff graduation-style group por-trait of two well-dressed and nicely-behaved rows of participants was published, ever to re-appear in histories of British art, there front and center is Eileen Agar, tiny and pert.

"I thought I didn't want to be a portrait painter the rest of my life, people will come and commission you and that always put me off. I thought it much more pleasant if I could do something more imagi-native but I hadn't thought of surrealism." She accents the first syl-lable of the word. "Then after that to British surrealism is a photorealism." She accents the first sylshow there were lots of shows all graph of a straight-faced Agar

ANNOUNCEMENTS

LOSE FEAR OF WATER

ing bouillabaisse" which she began making in 1937.

"It was really a cork basket that l saw in St. Tropez. When I got home I said well I have nothing to put in a basket like this so I turned it upside down and found I could put it on my head. I kept adding more shellfish to it, or whatever I found "

Eileen Agar was born in 1904 in Buenos Aires where her Scottish father had made a fortune selling windmills. She was educated in England and startled her mother by expressing a wish to study painting. "Why don't you just buy paintings?" her mother inquired.

Eileen persisted and was driven daily by the family chauffeur to the Slade school where she was taught by the stifling Professor Henry Tonks, "Tonks hated any-thing that was modern, he didn't even like the Impressionists. He was really a professor of anato-

In 1928 the mosaicist Boris Anrep suggested she go to Paris. She had spoken French at home and was immediately at ease in her Montparnasse studio and with her artist colleagues. She made her own amalgam of surrealism and abstraction — "We all walk on two legs and for me one is abstract, the other surreal, point and counterpoint" - and with her vivid colors she brought a bright jun-gle note to British art. "I like color very much, perhaps because of having been brought up in a Roman Catholic country, in the Argentine."

Hungarian writer, Joseph Bard, the ex-husband of Dorothy Thompson, the globetrotting American journalist who was always off taking the pulse of the world. In 1931 she wrote in Bard's magazine, The Island, that contemporary European art was basi-cally feminine. "In Europe, the importance of the unconscious in all forms of Literature and Art establishes the dominance of a feminine type of imagination over the classical and more masculine order." she said.

She married a multilingual

That surrealism was more

wearing a "ceremonial bat for eat- a commonly accepted idea but from treating their own women badly, Eileen Agar says. "On the whole they thought of women as just muses. André Breton's wife was a very talented painter, he wouldn't even look at her work.

"But they were very nice to me. I think they were so pleased, there were so few surrealists at the time who were giving their heart and soul to it that I think they were pleased to welcome me."

By the time of the 1936 international exhibition, surrealist painting had already been shown in several London galleries and surrealism had found what would be a more durable niche in English writing. The 1936 show, however, made surrealism a public event so chaotic that no two accounts of it

fic jams to Piccadilly Circus. The Sitwell trinity made an appearance, Breton made a speech, and a woman described as the surrealist phantom walked through the crowd wearing coral and black and holding a wooden leg in one hand and a pork chop in the other. The pork chop later had to be removed because of the heat. Dylan Thomas offered visitors boiled string in teacups.

Later in the exhibition, Salva-

dor Dali, whose gift for self-pro-motion had been sharpened by his wife's tuition in high finance, made a stunning appearance in a diver's suit and helmet, holding two borzoi on a leash in one hand and a billiard cue in the other. His speech was inaudible and he had to be released from his diver's helmet when he showed signs of suf-

The joke didn't last long: The Spanish civil war broke out and World War II loomed. In 1937, at another surrealist show. Herbert Read had splendidly announced, Approach for we have names to sell — angels of anarchy and ma-chines for making clouds."

The same year, using her hus-band as a model, Eileen Agar made a plaster head richly decorated with doilies and called "The Angel of Anarchy." The head was lost and in 1940 she made another or Institute of Contemporary version, bejeweled and beplumed, Arts, founded by Penrose in 1947.



Agar wearing "ceremonial hat for eating bouillabaisse."

but with a blindfold over its eyes. The ICA began in a basemer The first one was rather mild and handsome in a way. I thought wanted to make this more malign, more terrifying, and I thought the best way is to cover the eyes because then you didn't know what was coming and I did feel it was the war."

Surrealism, hectoring and bullying and political, was essentially out of place in England's long tradition of tolerance and individual liberty. It also failed to endure because in part it was too familiar. "A nation which produced two such superrealists as William Blake and Lewis Carroll is to the manner born," Herbert Read wrote. "The English have surreal-ism in their bones," Eileen Agar

It can be argued that surrealism's greatest gift was a sense of fellowship among dispersed and lonely British artists. Its chief legacy in concrete terms is the ICA,

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ILE ST LOUIS

under a cinema: a place for artists to meet and talk shop as they had for decades in the cafes of Europe. "It was a very good influence

on English artists because they could get together," says Eileen Agar who had found a similar sense of fellowship earlier with the surrealists. "It's very difficult for a painter to work in a vacuum, even worse than for an architect, because a painter needs the stimulation of someone to look and say well, I don't like that,"

Surreatism probably also widened many English artists' horizons, taking them away from the comfortable native lyrical impulse and opening them to the irrational and unreal

"We really lead a very wellordered life and there are lots of things that get dismissed the more ordered your life is." Elleen Agar says. "I think that's where I would say surrealism is a tremendous advantage -it reminds you of other

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A Contra Compendium

By William Safire WASHINGTON — The secret presidential finding that he destroyed, Rear Admiral John M. Poindexter told the Iran-contra committees, had been prepared essentially by the CIA as a -what we call a CYA effort."

CYA is a military-bureaucratic term that Senator Sam Nunn, Democrat of Georgia defined in a question to another witness at thehearings. "Isn't this cable in effect a CYA cable? . . . They were covering their rear end back in Washington, weren't they?"

The senator is correct in his definition — the term means "to dif-fuse responsibility" — and approprintely delicate in his suphemism.
The first two initials of CYA stand. for "cover your," and the dread "a word is expressed variously as rear end, butt, behind, backside, tail, seat, or, if you are President Reagan, keister. The objection to the operative word is of long standing; a new sense has evolved that uses the word for the posterior as a syneodoche for the whole person, and now to move one's backside means merely to move oneself quickly. Thus the initials today are an anachronism, exphemizing a mean-ing that has changed.

Meanwhile, bureaucrats like Poindexter have adopted micro-manage, the board-room synonym disparaging the sort of management that used to be criticized as fine-tuning.

"We'd been snookered again," the former White House chief of staff Donald T. Regan reported he told the president, adding, "How many times do we put up with this rug-merchant type of stuff?" Al-though rug merchant is widely un-derstood to be a derogation for a craftily bargaining, untrustworthy tradesman, the verb to snooker is less (amiliar to younger Americans never exposed to pool-hall life,

Snooker is a variation of billiards played with 15 red balls, a white cue ball and six balls of other colors. The story is told of a subaltern in central India, Neville Chamberlain, later prime minister of Britain. who in 1875 was playing this game with a cadet with the last name of Snooker. The cadet played so badly that Chamberlain used his name eponymously to mean "to place oneself in an impossible position."

Influenced by the earlier to cock

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a snook, a vulgar hand gesture, the yerb came to mean "to cheat, swin-dle."

One linguistic error made during the hearings was in the misconcep-tion of the phrase plausible denial. This term of art was rightly used first by Lieutenant Colonel Oliver L North: "Part of a covert operation is to offer plausible deniability of the association of the government of the United States with the activity." The meaning is "cover a story," as Fox Butterfield of The New York Times points out: "In intelligence, plausible deniability means that higher-ups do know, but the paper work is stopped at a lower level so that the higher-ups

don't appear to know." However, when used by Poindexter, that phrase lost its central point: instead of being a believable fiction told by a president who knew of the diversion secret, it was a truthful denial by a president who was denied any knowledge of the secret. The alliteration prize was won by Robert C. McFarlane for his. The contras had to continue, in some fashion, to buy beans, bul-lets, Band-Aids." Strangest euphe-mism: residuals, a word now being remaindered by television writers and arms dealers to replace the word profits, which had not previously been a dirty word among cap-

W HO was the linguistic star of the hearings? My vote goes to Sena-tor William S. Cohen, who castigated Poindexter on the abuse of language in politics: "I find it troubling when you say that I withheld information from Congress but I did not mislead it. Or that the administration's support for the contras was secret activity but not covert action. . . Or that the transfer of funds for the sale of weapons was a technical implementation, not a substantive decision."

· - -

1917-7

钟读》。

9.45

ray talkara

Later, in a colloquy with Donald Regan, Cohen — the only Republi-can senator from Maine over to have published a book of poemsobserved that the chief of staff had "slipped the surly bonds of public service." This remark to a man who had been shoved off the pinnacle of power was an allusion to John Ca. Magee Jr.'s poem "High Flight," which begins, "Oh, I have slipped the surty bonds of earth."

New York Times Service

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